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Contents

United Kingdom Parliament

BY-ELECTION RESULTS

Two by-elections were held on [illegible] December, one for a Labour-held and one for a Conservative-held seat. Both were caused by the death of the sitting member. The results were as follows:

Wellingborough: Mr Peter [illegible] won the seat for the Conservatives. His majority was [illegible] with [illegible] per cent of the electorate ([illegible]) voting. The poll percentages were: Conservative [illegible], Labour [illegible], Independent [illegible].

Louth: Mr Jeffrey Archer retained the seat for the Conservatives. His majority was [illegible] with [illegible] per cent of the electorate ([illegible]) voting. The poll percentages were: Conservative [illegible], Labour [illegible], Liberal [illegible], Democratic [illegible].

Strength of the Parties

In the [illegible] by-elections held [illegible] the Labour Party has [illegible] the Conservatives [illegible] and [illegible] seats, and the Liberals [illegible] Welsh Nationalists [illegible] Scottish Nationalists and the Independent [illegible] Party (Northern Ireland) [illegible] each [illegible] House of Commons [illegible]

Labour	[illegible]
Conservative and Associates	[illegible]
Liberal	[illegible]
Republican Labour (Northern Ireland)	1
Welsh Nationalist	[illegible]
Scottish Nationalist	[illegible]
Independent	[illegible]
	[illegible]

The Speaker [illegible] Chairman of Ways and Means and the Deputy Chairman of Ways and Means [illegible] Labour [illegible] speak or vote in the House of Commons other than in their official capacity.

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United Kingdom Parliament

BY-ELECTION RESULTS

[illegible]

[illegible]

[illegible]

Strength of the Parties

[illegible]

[illegible]

[illegible]

its adaptation by unanimous vote, in particular in the light of an enlarged Community and on condition that the principles of this arrangement are not infringed

8 They reaffirmed their readiness to further the more rapid progress of the later development needed to strengthen the Community and promote its development into an economic union They are of the opinion that the integration process should result in a Community of stability and growth To this end they agreed that within the Council, on the basis of the memorandum presented by the Commission on 12th February 1969, and in close collaboration with the latter, a plan in stages should be worked out during 1970 with a view to the creation of an economic and monetary union The development of monetary co-operation should depend on the harmonisation of economic policies

They agreed to arrange for the investigation of the possibility of setting up a European reserve fund in which a joint economic and monetary policy would have [illegible] result

Technology and Research

9 As regards the technological activity of the Community [illegible] their readiness to continue more intensively the activities of the Community [illegible] co-ordinating and promoting industrial research and development [illegible] sectors concerned in particular by means of common [illegible] financial means for the purpose

10 They further agreed on the necessity of [illegible] the near future a research programme for the [illegible] designed in accordance with the [illegible] making it possible to ensure the most effective [illegible]

Education and Social Policy

11 They reaffirmed their interest [illegible]

12 The Heads of State or Government [illegible] the social fund within the [illegible]

Enlargement of the Community

13 They reaffirmed their agreement [illegible] Community as provided by Article [illegible] Treaty [illegible]

In so far as the applicant States accept the [illegible] decisions taken since the entry into force of the [illegible] sphere of development the Heads of State or Government [illegible] ment to the opening of negotiations between the Community [illegible] applicant States on the other

They agreed that the essential preparatory [illegible] practically and conveniently possible B[illegible] take place in a [illegible] positive spirit

14 As soon as negotiations with the applicant [illegible] discussion will be started with such other EFTA [illegible] position in relation to the EEC

15 They agreed to instruct the Ministers for Foreign Affairs [illegible] way of achieving progress in the matter of political unification within the context of enlargement The Ministers would be expected to report before the end of [illegible]

Youth

16. All the creative activities and the actions conducive to European growth decided upon here will be assured of a better future if the younger generation is closely associated with them. The Governments are resolved to endorse this and the Communities will make provision for it.

Comment by British Ministers

The British Prime Minister, Mr Wilson, referred to the outcome of the summit meeting when he answered questions in the House of Commons on 4th December (*Hansard*, cols. 1695-1703). He said: "We welcome the agreement reached by the Six at their meeting at The Hague earlier this week to open negotiations between the Community and the applicants for membership, and we are ready for negotiations to begin as soon as the Six are ready." On the conduct of negotiations Mr Wilson said: "I hope that the negotiations start before what was set at the summit as the latest date", and added that he hoped "that the talks will be reasonably short but directed to the main strategic questions". Noting that the basis for negotiations remained the same as in 1967, he said: "A great deal of ground was covered in the early negotiations and if that is still agreeable to the Six, nothing agreed then need be the subject of prolonged negotiations again."

The Chancellor of the Duchy of Lancaster, Mr Thomson, speaking under the auspices of the Belgo-British Union on 15th December, spoke of the summit meeting as historic. "The British have now been trying to join the Communities for a full decade," he said. "Only now, at last, is it clear that negotiations can begin in the near future. That is a tremendous encouragement to all Europeans, and particularly to the British people."

Public Opinion

Referring to the question of public opinion, Mr Thomson noted that it was one of the paradoxes of the present situation that public opinion polls on the Continent have been showing increasing support for enlargement and British entry, whereas in Britain the polls have been showing an opposite tendency. He added that he considered that the reasons for this were highly understandable. He remarked that people living within the Community were aware of its benefits despite the effect of the Common Agricultural Policy; in recent years living standards had been rising more steeply than prices. In Britain, on the other hand, people had become bored and fed up with waiting at the door of the Common Market for so long.

Seychelles

NEW INTERNATIONAL AIRPORT

A new international airport designed by the British Ministry of Public Building and Works is under construction on Mahe island, one of the Seychelles group in the western Indian Ocean. The main contract for the work has been awarded to the firm of Sir Richard Costain and Partners, and the project is due for completion during the first half of 1971. Details of the design include the building of a 9,800-foot runway requiring the lowering of two hills and the reclamation of 250 acres of land. The airport will be capable of handling the largest jet aircraft and it will provide the Seychelles islands with air communications for the first time in their history. At present they can be reached only by sea, necessitating a minimum voyage of three days from Mombasa on the east coast

of Africa. As well as providing improved communications to and from Seychelles and assisting in the growth of the islands' economy, it is thought that the airport could become an important staging post for air services connecting Europe with Australia, Asia and the Far East.

The Islands and Their Economy

Seychelles, which has been a British colony since 1814, consists of a large number of small islands, with a total land area of approximately 90 square miles. About half the islands (including Mahé, where three-quarters of the total population of some 50,000 live) are of granite formation, and are predominantly mountainous, rising steeply from the sea. The rest consist of flat coral reefs at different stages of formation, with no permanent inhabitants. The population is multi-racial and is made up of descendants of early French settlers (the islands were colonised by France in the eighteenth century), some other Europeans, Africans, Creoles (of mixed race), Indians and Chinese.

The economy is based on agriculture which, with fishing, provides the main occupation. Coconuts form the principal crop, and copra normally accounts for over half of all exports (total exports were valued at Rs 16.8 million or approximately £1.2 million in 1968). Other cash crops include cinnamon, vanilla and patchouli (used in perfumery). Tea is being developed as a subsidiary crop and a tea factory has been established. Sugar, tobacco, various fruits, root crops and green vegetables are grown for local consumption. Such industries as exist at present are of small size. As well as the tea factory there is some soap manufacture and two coir factories are in operation. There are proposals for the establishment of a fishing industry with cold storage facilities.

Development plans are financed primarily from British funds, which between 1964 and 1968 contributed a total of nearly £3 million, including over £300,000 in technical assistance. Aid has been used for agricultural development, roads, water supplies, land settlement and the improvement of education and social services. The 1966-69 development plan provided for an estimated total expenditure of Rs 18 million (£1.35 million) and is being superseded by a new plan now in preparation, covering the period up to 1972. One of its main objectives will be to increase agricultural output for local consumption so as to reduce expenditure on food imports.

Tourist Potential

With the opening of air communications the potentialities for a tourist industry will be considerable. The islands are of great scenic beauty and although close to the equator they have an equable climate and lie outside the Indian Ocean hurricane belt. There are many fine beaches and opportunities exist for excellent sea fishing. Some of the group contain rare species of wild life and are of special interest to naturalists and scientists. A privately sponsored Seychelles Development Corporation was formed in 1966 and has plans for promoting tourism.

The Constitution

Questions concerning the colony's political future have been under consideration by the British Government, in consultation with the islanders' leaders, for some time. Following the report of a constitutional adviser who visited the islands in 1966, a new constitution came into force towards the end of 1967, providing for a form of government particularly adapted to the needs of a small territory. A single Governing Council, with both legislative and executive functions, was established, presided over by the Governor and with a majority of unofficial members, mainly elected. There are three committees

of the council, constituted by the Governor, each under the chairmanship of an elected member, and these, together with a Finance Committee under the chairmanship of the Financial Secretary (an official), are responsible for the implementation of policy

At a general election in December 1967, held for the first time on the basis of universal adult franchise, the Seychelles Democratic Party won four of the eight seats contested; the Seychelles People's United Party won three, and the eighth went to an Independent

In the course of a short debate in the British House of Commons on 4th July 1969 (*Hansard*, cols 914-20), Mr William Whitlock, then Under-Secretary of State for Foreign and Commonwealth Affairs, said that, as in the case of other British dependencies, the wishes of the people would be Britain's main guide in deciding the future constitutional status of Seychelles Discussions on this, and on other matters concerning the territory, took place in September when visits to Seychelles were made by Lord Shepherd, Minister of State for Foreign and Commonwealth Affairs and by an economic mission from the Ministry of Overseas Development

Productivity, Prices and Incomes

WHITE PAPER ON POLICY AFTER 1969

A White Paper on *Productivity, Prices and Incomes Policy after 1969* (Cmnd 4237, HMSO, 4s) was published on 11th December. In a brief introduction its purpose is defined as describing the framework within which the Government believes that the policy should develop. Improvements in Britain's economic position have made it possible to remove the more stringent controls of the 1967 and 1968 Prices and Incomes Acts but the Government has decided to continue in force its powers under Part II of the 1966 Act (see p. 18). The White Paper also provides the basis on which a long-term policy, built on the voluntary acceptance of the aims visualised in the joint statement of 1964, can be developed in the years ahead.

The White Paper then proceeds to review the past operation of the prices and incomes policy, to describe its aims and the framework within which it must operate, and to lay down guidelines for pay negotiations and the determination of prices and charges, dividends and rent and rates.

Past Operation of Policy

The stringent powers of the 1968 Prices and Incomes Act were remarkably successful in preventing a vicious price-wage spiral from following the devaluation of November 1967, states the White Paper. This is shown by the following table.

Period	Percentage increases (at annual rates)			
	Hourly wage rates	Earnings (seasonally adjusted)	Retail prices	Wages and salaries per unit of output
April 1965–June 1966	7.4	[illegible]	[illegible]	[illegible]
July 1966–June 1967	2.8	[illegible]	[illegible]	[illegible]
July 1967–March 1968	9.2	[illegible]	[illegible]	[illegible]
April 1968–December 1968	4.5	[illegible]	[illegible]	[illegible]
January 1969–September 1969	[illegible]	[illegible]	[illegible]	[illegible]

The percentage increases quoted are those from the average for the quarter preceding each period to the average for the final quarter of the period. Quarterly figures have been used which eliminate the random fluctuations in the monthly figures.

Hourly wage rate figures are taken from the Department of Employment and Productivity's index of basic hourly wage rates and relate to manual workers. Earnings figures are taken from the department's monthly index of weekly average wage and salary earnings. They relate to all industries and services and are seasonally adjusted.

In 1968–69 pay agreements were, by and large, kept within the guidelines of the 1968 policy. The index of wage rates after March 1968 rose more than the 3½ per cent ceiling, but this was mainly due to productivity agreements involving larger increases which were permissible under the policy. Earnings in 1968 rose much faster, but then so did productivity, helped by rising output. One of the main aims of the policy during this period was to stimulate a new approach to productivity bargaining, and its success in doing this undoubtedly contributed to the exceptional increase in productivity which took place in 1968 and which held down unit costs. At the same time industry co-operated willingly over prices policy, and the Government maintained a vigilant examination of major price increases. As a result of all this by the end of 1968 prices had risen only moderately over and above the 4½ per cent increase which flowed inevitably from the effect of devaluation on import prices and the increases in taxation needed to make devaluation work. In a period, therefore, when rising prices and expanding industrial activity might well have led to an uncontrollable spiral of pay and price increases, the rise in unit costs between March and December 1968 was successfully contained to an annual rate of 1.9 per cent.

The Aims of the Policy

From the beginning, the White Paper continues, the policy has tried to give the community an opportunity of achieving three aims:

- to keep prices more stable than in the past;
- to achieve faster growth in the real standard of living;
- to get a more rational and fair relationship between the incomes of various groups, and in particular to improve the position of low paid workers.

None of these aims can be achieved by a prices and incomes policy narrowly conceived or operated in isolation from the other measures the Government is taking to strengthen the economy, increase industrial efficiency, improve the structure of the labour market and create a just society. But within this wider strategy a prices and incomes policy is essential to achieve the following aims:

- establishing on a firm and continuing basis the principle of links between pay increases and the more effective use of labour;
- securing fundamental improvements in the methods of pay negotiation and settlement;
- creating wage and salary structures which will avoid successive leapfrogging settlements and eliminate friction;
- improving the position of low paid workers, particularly by reorganisations which will make better use of their efforts, and by the introduction of equal pay for women;
- raising the efficiency with which labour and capital equipment are used in all sectors of the economy: private industry, publicly owned industry, and the public services;
- ensuring that the larger industrial units now being brought into existence use their resources efficiently and to the benefit of the consumer, and do not use their increased market power to operate pricing policies or pay policies which fail to take proper account of the wider public interest.

Framework of the Policy

Any productivity, prices and incomes policy needs a framework within which those concerned with the determination of pay or prices can work in

order to achieve the aims of the policy. There are three essential elements in such a framework:

guidance on the principles of the policy,

notification of proposed pay settlements and price increases to the Government so that discussion can take place as to whether they conform with those principles,

reference, where necessary, of individual cases to an independent authority so that it can examine in depth whether they are consistent with the policy, and can advise on how the principles of the policy can be applied more effectively

Guidance on the principles of the policy is set out in Section I of the White Paper in relation to incomes (see pp 15-16) and in Section I in relation to prices and charges (see p. 16) This guidance is inevitably in general terms but it is intended to be applied by all those concerned with settling remuneration or with fixing prices and charges, including arbitrators, statutory wage and price fixing bodies and independent review bodies

The National Board for Prices and Incomes

One of the outstanding achievements of the policy since its inception the White Paper goes on, has been the part played by the National Board for Prices and Incomes (NBPI) in influencing the conduct of collective bargaining stimulating interest in the more effective use of labour and scrutinising the case for price increases The first duty of the board on receiving a reference has been to ascertain and publish the facts, and the 130 or so reports which it has produced since it was set up have built up a valuable body of information on the factors making for inflationary pay settlements and unjustifiable price levels During the more stringent phases of the policy the main task of the board has been to advise whether or not proposals for individual pay settlements or price increases referred to it were in line with the policy set out in the White Paper current at the time and since August 1967 the Government has been able to use its full standstill powers only where an adverse report has been made by the board But in forming a view on these cases the board has always sought to make constructive proposals as to how proposed pay settlements might be brought into conformity with the policy or how a proposed price increase might be avoided by absorbing costs Some of the most valuable work of the board has been done through wider studies of such general subjects as payment by results and job evaluation The Government also considers that the constructive role played by the board would be enhanced by asking it to examine pay structures in a particular industry in order to try to influence subsequent negotiations, or to examine the relationship between costs and prices before a price increase is urgently sought

The effective examination of specific pay or price increases inevitably leads on to the consideration of wider questions about the operation of a firm or industry These wider issues touch at many points the functions of the Monopolies Commission in considering whether monopolies or oligopolies operate in ways contrary to the public interest For this reason the Government has decided to establish a new body to be called the Commission for Industry and Manpower (CIM) to bring together and develop the work at present carried out by the Monopolies Commission and the NBPI, and legislation to achieve this will be presented in the current session of Parliament

The Government will continue to refer to the NBPI, and in due course to the CIM, proposals for increases in prices and claims for increases in pay or pay settlements notified under the early warning arrangements whenever these appear to require detailed examination The board and the commission will be required as at present to examine them in the light of the guidance set

out in the White Paper. But the study in depth of wider issues of general importance to the development of the policy in the public sector as well as private industry will continue to be an important part of their activities.

In September 1967 the Government decided that all major price increases proposed by the nationalised industries would be referred to the NBPI. The Government has now had the benefit of the board's advice in a number of these cases. The board has already carried out a wide-ranging efficiency study of one nationalised industry and has undertaken smaller scale studies in others. It is now beginning work on a new major study.

The Government's Powers

The Government has always recognised that the full range of powers available under the 1967 and 1968 Prices and Incomes Acts to delay the implementation of pay and price increases was called for only in exceptional circumstances and as a short-term measure. These powers expire at the end of 1969 and will not be renewed. The Government has, however, laid before Parliament a draft of the necessary Order in Council continuing for a year from 1st January 1970, Part II of the 1966 Act which requires notification of increases in pay, prices or dividends.

These powers will enable the Government to require early warning of pay and price increases. They will be reserve powers and the early warning system will, it is hoped, continue to operate in practice on a voluntary basis. The powers will however enable the Government if necessary to delay pay or price increases for up to three months pending the report of the board.

Guidance for Pay Negotiations

As it would be imprudent, as is stated in the White Paper, to assume a general productivity increase of more than 3 per cent per annum, most pay increases should be in [illegible] 4 per cent per annum. The following factors should be considered in deciding the appropriate increase.

Productivity and Efficiency Agreements. A central feature of the productivity, prices and incomes policy [illegible] development has been to encourage management and workers together to find ways of increasing productivity and to relate pay to performance. Under the stimulus of the policy productivity bargaining has in the past few years spread widely through industry. Over [illegible] million workers have been involved in over 3,500 productivity agreements. In view of certain criticisms of such agreements the NBPI conducted and published a survey (*Productivity Agreements* Cmnd 4136 August 1969) which shows that these agreements have promoted good industrial relations and reduced costs. The NBPI has concluded however that its guidelines for such agreements should be recast and broadened so as to be applicable to all types of workers, manual and non-manual, including those for whom it is not appropriate to specify changes in working practice.

Reorganisation of Pay Structures. Fundamental reorganisation involving average pay increases above the normal range may be justified as opening the way to substantial improvements in the efficient use of labour. Such reorganisations, whose gains are mainly long term, should be associated with efficiency agreements.

Low Paid Workers. The great majority of low paid workers are scattered throughout industries whose workers as a whole are well paid. The causes of low income are complex and a minimum wage does not appear an appropriate solution. Strengthening of trade union organisation, changes in industrial relations and increases in productivity can help but in the end the solution of the problem depends on the attitude of negotiators in industry and their willingness to give preferential increases to the low paid.

Equal Pay for Women. The majority of low paid workers are women and the Government has announced its intention to introduce legislation to make discrimination on grounds of sex illegal by 1975. The introduction of equal pay will, it is estimated, raise the total national wage bill by only 3 to 4 per cent; and, though the increased burden will be spread very unevenly, there are in many cases obvious opportunities for recovering at least part of the cost by reorganising women's work so as to raise their productivity.

Labour Market Requirements. In national negotiations immediate labour supply difficulties will rarely constitute a sound argument for increase in pay above the normal range. On the other hand, for individual employers, they may be one factor affecting the appropriate level of pay increase within the normal range. Pay increases are, however, seldom in themselves a solution to labour shortage and pay increases outside the normal range on the basis of comparisons with levels or increases in other firms or industries are a recipe for inflation.

Pay in the Public Services. In principle the guidance in the White Paper applies to the settlement of pay in the public services as much as to the settlement of pay in the private sector and in the nationalised industries. Special problems arise, however, in the application of the policy. In many cases output in the public services is not measurable nor sold in a competitive market. So though work measurement and method improvement remain important as a means of maximising efficiency and reducing costs, direct links between efficiency, labour costs and pay cannot be established, while owing to the career nature of much of the employment an unduly low level of pay would be slow to result in labour supply difficulties. At the same time there are strong pressures for uniformity of treatment. Reliance has in many cases to be based on comparisons with workers doing similar jobs in the private sector. Where there are no such comparable groups or where the state is the predominant employer, regard must be paid to more general comparisons and other relevant considerations.

Some General Considerations

In addition to rates of pay many other factors can cause an upward drift of earnings. Such factors include overtime pay, [illegible] and [illegible] scales.

The negotiation of pay settlements at intervals shorter than [illegible] is wholly undesirable.

Prices and Charges

Price increases must be based on changes of the [illegible] financial position of an enterprise and not simply on particular increases in the costs of labour, materials or capital. Full and realistic account must be taken of [illegible] cost savings and the appropriate return on capital must be examined in the light of changing circumstances.

Dividends

The Government has from the first stressed its intention to use fiscal power to control the general trend of dividends and interest. In 1966, however, [illegible] introduced a 3½ per cent ceiling on increases in individual company dividends as a necessary reinforcement of the more general policy of restraint. Such a ceiling is undesirable as a long-term policy both on grounds of equity and because of its effects on share market operation. The White Paper states that the ceiling was to terminate on 31st December 1969. Under Part II of the Prices and Incomes Act 1966, however, the Government would continue to have power to require notification of individual dividend increases if this seemed desirable. It would also continue to have the power to refer to the NBPI and later to the CIM

cases where the growth of profits and dividends appeared to be based on price levels made possible by excessive market power.

Rents

During 1968 and 1969 the Government successfully prevented undue increases in rents. In the private sector, the great majority of unfurnished tenancies other than those which are still controlled are subject to the rent regulation system set up by the Rent Act 1965. In general the rent of such tenancies can be increased only as the result of the determination of a fair rent by a rent officer or rent assessment committee. In some cases the rent will previously have been low, and the determination of the new rent can involve sharp increases. Under Part III of the Prices and Incomes Act 1968 the housing Ministers have ensured that such increases occurring during the latter half of 1968 and in 1969 will have been spread out, or 'phased', in annual stages.

Part III of this Act also required local authorities to obtain the consent of the housing Ministers to any increase in the rents of council houses. Many local authorities followed the Government's advice and voluntarily refrained from making avoidable rent increases. But in some cases the housing Ministers had to use their powers to prevent rent increases which were not justified by rising costs or which an authority could avoid by, for example, using housing account balances. In addition the Government adopted the recommendation of the NBPI that the rents of any council should not be increased by more than 7s. 6d. on average in a twelve-month period. Ministers have also been unwilling to authorise increases of more than 10s. a week for any individual house in any year.

The powers in the 1968 Act governing rent increases expired at the end of 1969. The Government considers that restraint in rent increases must continue to be an integral part of prices and incomes policy. Measures are therefore being taken to continue the restriction of sharp rent increases for a further period, and a Bill is before Parliament.

For regulated tenancies, the Government has brought forward legislation under which phasing of rent increases is to continue for two more years. This will apply to rents registered up to the end of 1971, and will complement the phasing arrangements already introduced under the Housing Acts of 1969 for rent increases resulting from the conversion from rent control to rent regulation of houses in good repair, or from grant-aided improvements.

As regards council rents, the Government believes that the principles justifying increases are now well established and understood, and should as far as possible be applied by the local authorities themselves. The housing Ministers have accordingly agreed with the local authority associations that rents should be increased only to meet unavoidable increases in costs on the basis of guidelines which are being recommended to their members for observance during the period 1st January 1970 to 30th June 1971.

The legislation provides that any increase which in any twelve-month period exceeds 7s. 6d. a week on average, or 10s. a week for any individual house, will require the prior consent of the appropriate Minister. This is unlikely to be given save in the most exceptional circumstances.

Ministers will continue to ensure under the existing arrangements that restraint in rent increases is applied to houses owned by New Towns and the Scottish Special Housing Association.

Rates

Rates, as a form of taxation, are outside the scope of prices and incomes policy. The Government has, however, taken steps to reduce the impact of rates on householders by providing special grants which have reduced the amount

in the £ they have to pay. In England and Wales the reduction has been 5d in the £ in 1967-68, 10d in the £ in 1968-69 and 1s 3d in the £ this year; the reduction in 1970-71 will be 1s 8d in the £. As a result of this, and of the savings made by local authorities, domestic rates were held steady, on average, in 1967-68 and 1968-69, and went up by only 4½ per cent in 1969-70. In addition, the income limits for rate rebates were raised from October 1968 and this has helped many householders with small incomes, particularly those with large families. In Scotland, where rate poundages are higher than in England and Wales, special grants have reduced the amount which householders would otherwise have had to pay by 10d in the £ in 1967-68, 1s 8d in the £ in 1968-69 and 2s 6d in the £ this year. With this assistance, domestic rates increased on average by only 7d in the £ between 1966-67 and 1968-69. It is not yet possible to say what the position will be in 1969-70, because of the later rating year in Scotland.

GOVERNMENT'S POWERS CONTINUED

A motion to approve an Order continuing the Government's powers under Part II of the Prices and Incomes Act 1966 was introduced in the House of Commons on 17th December (*Hansard*, cols 1368-1482) by Mrs Barbara Castle, the Secretary of State for Employment and Productivity.

Mrs Castle emphasised that she hoped that it would not be necessary to perpetuate the delaying powers of Part II in the legislation to set up the Commission on Industry and Manpower (see p. 14). In the present situation, however, she felt that the psychological effect of the withdrawal of the powers might be such as to have a serious inflationary consequence.

Mr Edward Heath reasserted the Conservative Party's opposition to government control over incomes and prices.

After a debate the motion was approved by 289 votes to 261 — a government majority of 28.

Public Expenditure

WHITE PAPER ON FUTURE PROGRAMMES

A White Paper, *Public Expenditure 1968-69 to 1973-74* (Cmnd 4234, HMSO, 1s 6d), published on 4th December, outlines the expected levels of expenditure by the central Government, local authorities, nationalised industries and other public corporations and agencies over the next three years. The average annual rate of increase from 1968-69 to 1971-72 is put at 3 per cent at 1969 prices.

Expenditure Over the Last Four Years

Summarising recent trends, the White Paper notes that between 1964-65 and 1968-69 the Government's new defence policies brought about a fall in defence expenditure in real terms. In the civil sector, regional development policy was combined with measures to modernise and restructure industry and with expenditure on other items (including scientific and technological research and other measures in support of industry and employment), the industrial and commercial programmes became the fastest rising group — 9 per cent per annum. Priority was also given to the social services, on which expenditure was increased by an average annual rate overall of 6 per cent, including ·9 per cent on education, 3 9 per cent on health and welfare and 8 3 per cent on social security.

Nationalised industries' capital expenditure rose at an average of 2·4 pe cent a year overall. Capital expenditure by the electricity industry turne downwards towards the end of the period; investment by the coal industr continued to decrease.

The net effect on all these movements was to produce an average annua increase in total public expenditure between 1964-65 and 1968-69 of 5 9 per cen (including the relative price effect), with expenditure on defence beginning t fall and civil expenditure particularly on the social and economic services rising faster than before

Growth of Resources

Over the past decade a rising labour force contributed about ¼ per cent year to the increase in total output (which at constant 1963 prices average just under 3 per cent a year), the balance coming from increased productivity During the next few years, little change is expected in the size of the workin population, but in 1973 and 1974 the raising of the school-leaving age w reduce the numbers of young people joining the work force Thus, rising outpu can only come from rising productivity The underlying rate of increase i productivity seems now to be about 3 per cent a year or a little less

In the outline national plan, *The Task Ahead*, published in February se 28 3 69 pp 295-305), an annual increase of total output within a range of ju under 3 per cent to about 4 per cent a year was envisaged In settling the level of public expenditure over the next few years the Government has based it decisions on the assumption that the rate of growth of the nation's resource will be at the lower end of this range Despite the marked recent improvemen in the country's overseas earnings there remains the overriding need to mak available a sufficient share of these growing resources for maintaining an adequat surplus on the balance of payments and a higher level of private investmen But if experience were to show that a higher rate of growth could be achieve at the same time as the other objectives of the Government's economic policies then it would become a matter for decision how far this additional output shoul be used to expand public expenditure programmes or used in other ways

Expenditure up to 1971-72

Tables 1 and 2 summarise the programmes up to 1971-72 the first b groups of programmes and the second in more detail The White Paper comment that these programmes show a continuation of the same broad pattern that ha been developing over recent years The real cost of defence will continue t fall as changes in defence policy take effect At the same time the Governmen is planning for an increase in civil programmes Environmental and socia services are to increase from 61 per cent of total public expenditure in 1968-69 t 64 per cent in 1971-72 But these developments are planned within a total o public expenditure which will be growing at an average annual rate of 3 per cent compared with 5 9 per cent over the last four years

The growth of current expenditure by the Government is mainly in socia security (partly because of recent increases in benefit, partly because of increase numbers) in the National Health Service, and in the universities, and the growt in capital expenditure mainly in roads and transport, investment grants, hospitals offices, computer centres and other government buildings, and lending unde the overseas aid programme

Local authorities are responsible for the greater part of expenditure current and capital, on local environmental services (96 per cent), law and orde (81 per cent), and housing (79 per cent) that is, in nearly all the main programme in the environmental services group which, with an annual average rate o increase of 4 7 per cent (see Table 1), is the major group planned to grow mo

rapidly in the period. Within the social services group, local authorities have the major part of expenditure in education (84 per cent). These various services, together with roads, are also individually the largest to be run by local authorities. Together, they account for over 90 per cent of local authorities' expenditure, 40 per cent of it going on education alone.

Capital expenditure by the nationalised industries reflects the changing pattern of demand for the output of the industries concerned. The fastest rising (and soon the biggest) individual programme is that of the Post Office, to meet the rapid increase in demand for telecommunications services. The capital expenditure of the industries as a whole is expected to fall slightly between 1968-69 and 1971-72 as a result of a substantial reduction in capital expenditure by the electricity industry, which will more than offset rising expenditure by other industries.

The contingency reserve shown in the tables makes provision for new expenditure which may have to be incurred, but the pressure, nature, scale and timing of which cannot be foreseen. It is also needed to cover any excess over present estimates and to provide an element of flexibility.

Expenditure in 1972-73

The Government has not yet taken decisions on the levels for individual programmes in 1972-73 and 1973-74 but is planning on the basis that the total of public expenditure will grow broadly in line with the forecast growth of the economy as a whole. Provisional allocations give a total of public expenditure

TABLE 1

PUBLIC EXPENDITURE BY GROUPS OF PROGRAMMES 1968-69 TO 1971-72

	1968-69 provisional outturn £ million	1969-70 estimate £ million	1970-71 estimate £ million	1971-72 estimate £ million	Average annual percentage increase
At 1969 Survey prices					
Defence and external relations	2,772	2,688	2,635	2,565	2.6
Commerce and industry	1,498	1,678	1,688	1,697	[illegible]
Environmental services	3,223	3,299	3,500	3,699	[illegible]
Social services	7,317	7,698	8,039	8,321	4.4
Other services	843	902	948	981	5.2
Nationalised industries etc. capital expenditure	1,510	1,439	1,474	[illegible]	[illegible]
Debt interest*	2,051	2,050	2,050	2,025	0.4
Relative price effect and other adjustments	351	303	345	521	
Contingency reserve			75	175	
At 1969-70 outturn prices					
Total	19,595	20,057	20,754	21,420	3.0

* The forward figures of debt interest involve the neutral assumption that interest rates continue at their present levels; this is, of course, not a forecast. Allowance is made for some reduction in the total volume of debt, and for the refunding of current debt.

TABLE 2

PUBLIC EXPENDITURE BY PROGRAMME, 1968-69 TO 1971-72

	1968-69 provisional outturn £ *million*	1969-70 estimate £ *million*	1970-71 estimate £ *million*	1971-72 estimate £ *million*	Average annual percentage increase
At 1969 Survey prices					
Defence and external relations					
Defence budget	2,292	2,252	2,211	2,161	1·9
Other military defence	146	85	66	28	42·4
Overseas aid	206	224	234	251	6·8
Other overseas services	128	127	124	125	0·8
Commerce and industry					
Technological services	190	205	226	207	2·9
Other assistance to employment and industry	857	954	925	937	3·0
Research councils, etc.	90	98	105	111	7·2
Agriculture, fisheries and forestry	361	421	432	442	7·0
Environmental services					
Roads and public lighting	610	629	691	758	7·5
Transport	251	242	244	247	0·5
Housing	1,095	1,073	1,141	1,202	3·2
Local environmental services	693	742	769	797	4·8
Law and order	555	595	635	673	6·4
Arts	16	18	20	22	11·2
Social services					
Education	2,242	2,300	2,381	2,499	3·8
Health and welfare	1,790	1,853	1,920	2,002	3·8
Social security	3,295	3,545	3,738	3,920	5·1
Other services					
Financial administration	219	225	220	212	1·1
Common services	164	186	205	223	10·8
Miscellaneous services	57	65	80	95	18·5
Northern Ireland	403	426	443	451	3·8
Nationalised industries etc. capital expenditure	1,510	1,439	1,474	1,436	1·7
Debt interest	2,051	2,050	2,050	2,025	−0·4
Relative price effect and other adjustments	381	303	345	521	
Contingency reserve		-	75	175	
At 1969-70 outturn prices					
Total	19,595	20,057	20,754	21,420	3·0

which rises by about 3½ per cent in both years. This would bring the totals to £22,170 million in 1972-73 and £22,950 million in 1973-74.

It is noted that the allocation made to the defence budget on this basis of £2,070 million in 1972-73 is simply carried forward at the same level for 1973-74. For overseas aid, as further steps towards the UNCTAD target (see p. 30), the Government has announced a programme totalling £270 million for 1972-73 and £305 million for 1973-74. The amounts to be spent on general assistance to employment and industry will be affected by the course of private investment attracting investment grants, and decisions affecting support for agriculture will be taken in successive annual farm price reviews. Environmental and social services, except social security, involve large expenditures by local authorities whose own decisions may affect the amount to be spent and their distribution between programmes.

Renewed growth in capital expenditure by the nationalised industries is likely in 1972-73 and 1973-74 following four years in which there will have been little change in the total of this expenditure. In a number of programmes, for instance, telecommunications, there will be continuing increases and the level of capital expenditure by the electricity industry will begin to rise again.

Environmental Pollution

ROYAL COMMISSION TO BE SET UP

In answer to a parliamentary question on 11th December (Hansard, col. [illegible]) the Prime Minister, Mr Wilson, announced that a standing Royal Commission on Environmental Pollution was to be set up with the following terms of reference:

'To advise on matters, both national and international, [illegible] the pollution of the environment; on the adequacy of research [illegible] and the future possibilities of danger to the environment.'

It was intended, the Prime Minister said, that this would be a standing commission able to take up any problem relating to pollution [illegible] of the best possible advice would be available to government departments responsible for executive action.

It would be the commission's responsibility [illegible] the general research effort going far beyond the [illegible] and, in particular, to alert any research council or other body [illegible] When a sudden new problem arose, concerned either with [illegible] other phenomena, the Royal Commission would be the means [illegible] quick action to help to solve it.

Other Measures

The Prime Minister said also that the Secretary of State for Local Government and Regional Planning was setting up a permanent central unit, composed mainly of scientists on his own staff, to assist him in his co-ordinating role for environmental pollution (see 24.10.69, p. 922).

On 13th October (*Hansard*, col. 33) the Prime Minister had outlined the responsibility of the new Secretary of State in this matter as being to [illegible] into the question of environmental pollution in all its forms and to make proposals to him on how this should be dealt with, including any changes he might feel it right to recommend in the machinery of government or of the law. [It is following his report to the Prime Minister that the standing Royal Commission is to be set up.] The responsibilities of the Secretary of State for Local

Government and Regional Planning extended only to England, but in the matter of pollution he would make his recommendations in consultation with the Secretaries of State for Scotland and for Wales, who would retain all their present responsibilities and statutory functions. Through his staff he would maintain close relationships with the Chief Scientific Adviser to the Government and with the research councils and other institutions concerned with the problem. He was also establishing an Advisory Council on Noise, on the lines of the Clean Air Council (see below).

The agricultural Ministers were engaged in consultations about the preparation of legislation to replace the existing voluntary system of control on the use of pesticides.[1]

A White Paper, to be published in 1970, would show how much had so far been achieved in controlling pollution under existing arrangements, which the new proposals would greatly reinforce.

PRESENT ARRANGEMENTS

The present arrangements for the control of environmental pollution include the following:

Air Pollution

Local authorities are, generally speaking, responsible under the Clean Air Acts 1956 and 1968 for clean air in towns and cities. Control is exercised through public health inspectors in most towns, but a few large cities employ specialist officers. Under the Clean Air Act 1956 local authorities may declare the whole or part of their districts "smoke control areas", within which emission of any smoke from the chimney of any building is prohibited. Domestic chimneys contribute at least 80 per cent of smoke emitted. More than [illegible],000 smoke control orders have been made and some 5 million dwellings and commercial and industrial premises are subject to the prohibition against the emission of smoke. The Clean Air Act 1968 helped local authorities in enforcing smokelessness in smoke control areas by making it an offence to acquire smoke-producing solid fuels in these areas. Thirty per cent of the cost of any necessary conversion of apparatus is borne by the householder, 30 per cent by the local authority and 40 per cent by the central Government. The amount of coal burned in smoke control areas has been greatly reduced, and in [illegible] cities buildings which have been cleaned have remained clean. Partly because of air pollution control and the virtual elimination of coal-burning steam locomotives, London no longer experiences dense "pea-souper"-type fogs or serious smog.

Central government is responsible, under the Alkali Act 1906, through the alkali inspectorate of the Ministry of Housing and Local Government, for enforcing control of emissions including smoke, grit and dust from over [illegible],000 specific industrial and chemical processes in nearly [illegible],000 works.

The Clean Air Council was set up by the Minister of Housing and Local Government under the Clean Air Act 1956 as a consultative council both to keep under review the progress made (whether under the Act or not) in abating the pollution of air in England and Wales, and as a means of obtaining advice on this problem from persons having special knowledge, experience or responsibility in regard to prevention of air pollution. It meets three times a year. A similar council for Scotland advises the Secretary of State.

Emissions from motor vehicles are controlled by the Minister of Transport by regulations made under the Road Traffic Act 1964. These regulations require

[1] On 1[illegible]th December the Minister of Agriculture, Fisheries and Food [illegible] in the House of Commons that the Government would [illegible] the Advisory Committee on Pesticides and Other Toxic Chemicals [illegible] food storage, home gardens and kitchens. These included the [illegible] dieldrin and DDT.

motor vehicles to be so constructed that no avoidable smoke or visible vapour is emitted; prevent excess fuel devices (cold starting aids) being so fitted that they can be used while the vehicle is in motion; and make it an offence to use a motor vehicle so that smoke or visible vapour causes danger to other road users or damage to property of other road users. Under the Road Safety Act 1967 all heavy goods vehicles must be tested annually to ensure that they conform to the requirements of the Motor Vehicles (Construction and Use) Regulations. No legislation exists at present limiting emissions from motor vehicles other than smoke. The problem of motor vehicle pollution is not considered as serious in British cities as in some United States cities (for example, Los Angeles where special climatic and topographical features and the size of the vehicle population aggravate the problem)

Air pollution research projects are in progress at number of establishments in Britain including those of the Medical Research Council, the Meteorological Office, the Ministry of Agriculture, Fisheries and Food, the Ministry of Health and Social Security, the Ministry of Technology, industries in both the public and private sectors, research associations and universities The main work is done at the Warren Spring Laboratory of the Ministry of Technology, Stevenage, Hertfordshire The official instrument of liaison between the local authorities and the Warren Spring Laboratory is the Standing Conference of Bodies Co-operating in the Investigation of Air Pollution

Water Pollution

Under legislation currently in force, major administrative functions in the control of inland water pollution in England and Wales are carried out by the river authorities and the Water Resources Board others are the concern of local authorities and statutory water undertakings

River authorities, of which there are 27 were set up in 1965 under the Water Resources Act 1963, jointly by the Minister of Housing and Local Government and the Minister of Agriculture, Fisheries and Food They cover the whole of England and Wales except the areas of the Thames Conservancy the Lee Catchment Board and other areas of Greater London They took over the functions, including the pollution prevention powers, of the 32 river boards set up under the River Boards Act 1948, which in turn had replaced, as pollution prevention authorities, the several hundred local authorities which previously had more limited powers and areas of control Each river authority consists of 21 to 31 members and (together with the Thames Conservancy and Lee Catchment Board) has a majority of members appointed by the county and county borough councils in its area The remainder are appointed by the Ministers for their knowledge of land drainage, of fisheries of the public water supply and of water used in industry and agriculture Most of the river authorities have laboratories and qualified staff for testing and analysing samples of effluent and water. Analytical work for the Thames Conservancy is carried out by the Greater London Council, which is the pollution prevention authority in the rest of Greater London In Scotland, river purification boards, which cover the most populous parts of the country, are responsible to the Secretary of State, who is advised by the Scottish Water Advisory Committee

The Water Resources Board, appointed by the Minister of Housing and Local Government under the Water Resources Act 1963, co-ordinates the work of the river authorities It is an expert body, with headquarters at Reading, Berkshire, consisting of a chairman and seven other members. Its staff numbers over 80, of which at least half are qualified scientists and technologists Among its wide responsibilities (which include the review of national water resources and requirements, co-ordination of investment proposals and the initiation of research) is the duty of bringing to the notice of river authorities cases where the quality of inland water within their respective areas needs to be improved.

A Statutory Water Undertaking has been defined to mean any company, local authority, board, committee or other person authorised by a local enactment to supply water and any local authority or board supplying water under the Public Health Acts.

Besides the Water Resources Act 1963, the principal Acts in force at present concerned in England and Wales with prevention of water pollution are the Rivers (Prevention of Pollution) Acts 1951 to 1961; the Public Health (Drainage of Trade Premises) Act 1937; the Public Health Act 1961 (Part V); and the Water Act 1945.

The Water Pollution Research Laboratory of the Ministry of Technology at Stevenage, Hertfordshire, investigates the treatment and disposal of sewage and industrial waste waters, and the effects and prevention of pollution of surface waters and underground water. Its programme is supervised by a steering committee and its activities are governed by the Water Pollution Research Board, both of which are appointed by the Minister of Technology. With the exception of its counterpart in the United States this is the largest organisation of its type in the world.

Work on the use of detergents in dispersing oil pollution has been done at the Warren Spring Laboratory. Another organisation doing some research related to water pollution is the Laboratory of the Government Chemist, which is concerned with water contaminants such as pesticides, toxic chemicals, and the disposal of radioactive substances, on which the main research is done by the UK Atomic Energy Authority.

Control of river pollution in Britain is being revolutionised through the development of a network of automatic monitoring stations for continuously measuring water quality. One of the first was that on the River Lee, flowing through Hertfordshire and East London and emptying into the Thames, in use since 1968. Within ten years more than 200 such stations will be in operation.

Following the *Torrey Canyon* tanker disaster in March 1967 and subsequent coastal pollution by oil, measures taken by the emergencies committee, under the chairmanship of the Home Secretary, included the setting up of a Ministerial Sub-Committee on Hazardous Cargoes and a committee of scientists under the Chief Scientific Adviser to the Government. British research organisations were urged to pursue further studies both individually and in co-operation among themselves and with international bodies.

A Bill to control oil pollution is in preparation and international action is being discussed in the Inter-Government Maritime Consultative Organisation [see 31.1.69 p. 142].

Britain is a signatory of two conventions on prevention of oil pollution at sea and of an agreement on co-operation in dealing with North Sea pollution signed on 9th June 1968 by Belgium, Britain, Denmark, France, the Federal Republic of Germany, the Netherlands, Norway and Sweden.

Noise

Under the Noise Abatement Act 1960, noise and, for the first time, vibration are dealt with as statutory public health nuisances. Local authorities, with advice from their medical officers, public health inspectors and other experts, decide if a noise is a nuisance. If it is, they serve an abatement notice. If this is not obeyed a complaint is lodged with the court, which may make an order ordering that the noise should cease. Under the Act a special defence is open to the noise-maker, namely, that he has used the best practicable means for counteracting the effect of noise or vibration. Any three property owners affected by the nuisance can make a complaint to the court themselves.

All motor vehicles in Britain became liable on 1st July 1968 to spot checks on roads for noise emission. The maximum permitted levels range from 80 to 92 A-weighted decibels. (A-weighting is a device to give meter readings roughly

corresponding to subjective judgments and are not the same as ordinary decibels.) From 1st April 1970 vehicles registered must be so constructed as not to exceed 77 to 89 A-weighted decibels.

To minimise disturbance at Heathrow and Gatwick airports, the running-up of jet aircraft takes place whenever possible in special mufflers (giant silencers placed close to the engines). Engines can be tested only at specified times and places, with severe restrictions during the night. Research has resulted in engine-testing equipment which, for certain checks, eliminates the need to run the engines. Navigational aids are located, and routes devised, so that flight paths avoid residential areas as much as possible. Jet aircraft taking off from Heathrow and Gatwick must comply with noise limits. At night these reduce noise by over 40 per cent. Monitoring points under departure routes from these two airports ensure that noise limits at take-off are met. Aircraft approaching to land are kept as high as possible for as long as possible, then brought down at the steepest angle consistent with safety. Since 1962 severe restrictions have been imposed at Heathrow on the number of jet flights allowed at night during the main season for traffic. The British Airports Authority makes grants towards the cost of soundproofing homes to a certain specification in the noisiest area around Heathrow.

Research into reducing noise in aircraft engines is carried out in industry under government contracts, supervised and supplemented by the National Gas Turbine Establishment. The cost to the Government alone exceeds £500,000 a year. There are also important research programmes at the National Physical Laboratory, Southampton University and the College of Aeronautics. In addition, industry carries very large costs for developing engines which incorporate techniques for noise reduction. Supersonic aircraft will not enter regular service until around the mid-1970s, but the Government has already taken powers to regulate or prohibit supersonic flights over Britain.

Natural Environment Research Council

The Natural Environment Research Council is a grant-awarding body (in common with the other research councils) but also does research into particular forms of pollution and many other questions affecting the environment. It was set up in 1965 under the Science and Technology Act of that year with wide responsibilities including nature conservancy, research in oceanography, fisheries and fresh water biology, and forestry and woodland research.

Roads

THE MOTORWAY PROGRAMME

Britain's current motorway programme is due for completion in the early 1970s, when 1,000 miles are expected to be in use. A new inter-urban road network programme is to follow, involving expenditure of £2,250 million over the 10 or 15 years from 1972. Current spending by central and local government in Great Britain on all new roads and improvements to existing roads is estimated at over £300 million in 1969-70.

At 31st October, 560 miles of motorways were in use in England. In addition, 281 miles were under construction, tenders had been invited for 85 miles, lines fixed for 111 miles, and draft schemes published for 115 miles. Details of progress on some of the main motorways in the current programme are set out below.

The *M1* from *London to Yorkshire*, 206 miles long including the *M10*, *M18* and *M45* spurs, links London with the industrial areas of Birmingham

and the Midlands, and with Leeds and Doncaster. Though the M1 was virtually completed in 1968, the Fiveways Corner Flyover (0 5 miles) at the London end of the motorway, is still under construction, and 2 miles south of the flyover and a very small section in Yorkshire -the Stourton to Leeds extension -- remain to be built.

The *M2*, the *Medway Motorway* in Kent, 25 miles in length, has been open to traffic since 1963

The *M3*, from *London to Basingstoke*, will eventually run from Sunbury Cross to Popham, south-west of Basingstoke, a distance of 40 miles, providing an uninterrupted through route between the West Country and Southampton About 20 miles are now under construction, including a bridge over the Thames at Chertsey

M4, London to South Wales Of this motorway, which will eventually cover 140 miles between West London and Newport in Monmouthshire, some 24 miles at the London end, including 2 miles of viaduct in the Chiswick to Langley stretch, and another 20 miles from Tormarton in Gloucestershire to the Severn Bridge, are in use The suspension bridge over the Severn, opened in 1966, was a major achievement of modern bridge-building techniques, and cost £8 million. Work is in progress on over 30 miles between Tormarton and Liddington

The *M5*, from *Birmingham to Bristol and Exeter*, will cover over 160 miles, including the extension from Edithmead, near Bristol, to Peamore, south of Exeter, which was announced in October 1968 About 7 miles near Bristol and over 30 miles between Quinton, Birmingham, and Fwyning, are in use, while 46 miles are under construction Extensive excavation work will be necessary in order to bring the motorway cutting through the Mendip Hills in Somerset The 112 miles between Birmingham and Edithmead in Somerset should be completed by the end of 1972

The *M6*, from *Birmingham to Preston and Carlisle* This road contains the Preston Bypass, the first stretch of motorway to be opened in Britain, in 1958 Its entire 230 miles from the junction with the M1 at Catthorpe in Leicestershire to north of Carlisle, should be in use in the early 1970s, when there will be some 317 miles of continuous motorway between London and Carlisle. 136 miles are open to traffic Work is now in progress on some 90 miles, including the 7-mile Carlisle Bypass and the Midland Link Motorway The Midland Link Motorway Scheme will cover a distance of 65 miles, including the northern extension of the M5 from Quinton to Ray Hall in Staffordshire and the southern extension of the M6 from Dunston via Ray Hall to join the M1 at Catthorpe. the whole scheme should be finished by the end of 1971 at a final cost of about £100 million Carried out mainly in urban areas around Birmingham, the work has involved extensive building of viaducts and interchanges

Of the *M61 Manchester to Preston* the northern section, comprising 13 miles running between the Preston Bypass on the M6 and the Horwich Link, was opened to traffic in November The remaining 9 miles, to link up with the M62 are being built and should be completed by the end of 1970

The *M62 Lancashire to Yorkshire* provides a major east-west route, linking the M6, M61 and M1, and is at present planned to cover some 80 miles, including the recently authorised 20-mile section between Worsley, near Manchester, and Tarbock, near Liverpool Some 30 miles are under construction.

The final section of the 22-mile Durham Motorway *A1(M)* between Aycliffe and Chester-le-Street, was opened to traffic in September.

The *M56 North Cheshire Motorway* will run for 26 miles from Hapsford to Wythenshaw, Manchester; it is designed to improve communications between the Manchester conurbation and North Wales and the Wirral, and over 14 miles are being built.

Eleven miles of the *M53—Mid-Wirral Motorway*—are also under construction.

In addition, schemes have been published or fixed for the 38-mile *M11* from London to Cambridge, over 20 miles of the *M23* from London to Crawley in Sussex, the *M27 South Coast Motorway*, and the *M25 South Orbital Motorway* (south of London).

In Scotland a system of motorways is being built to connect the main industrial areas around Edinburgh, Glasgow and Dundee. Forty-six miles were in use at 31st October, another 29 under construction, lines had been fixed for 27 miles, and draft schemes published for 17 miles. Completed sections include the Hamilton Bypass on the M74, the Renfrew Bypass between Glasgow and Greenock, and nearly 20 miles between Edinburgh and Glasgow.

It is proposed to complete 50 miles of motorway in Wales, of which about 23 are already in use, including the Port Talbot Bypass in South Wales

Merchant Shipping

NEW LEGISLATION

The second reading debate on the Merchant Shipping Bill took place in the House of Commons on 2nd December (*Hansard*, cols 1310-1418) The Bill's provisions are based on recommendations made by the court of inquiry, which was set up under the chairmanship of Lord Pearson at the time of the 1966 seamen's strike and made its final report in February 1967 (see 31.3.67 p 353).

The President of the Board of Trade, Mr Mason, presenting the Bill described it as 'a most important step forward in the safety of life at sea and in the modernisation of the Merchant Navy' Essentially an enabling Bill it empowered the Board of Trade to make regulations controlling recruitment, wages and working conditions of seafarers, with a flexibility designed to encourage rather than inhibit future developments within the shipping industry Consultation with both sides of the industry was to be required before any regulations were made The Bill had been welcomed by both employers and employees

The Pearson proposals on the general improvement of industrial relations had been the subject of negotiations within the National Maritime Board (representing both shipowners and seamen and responsible for negotiations on wages and conditions), and did not require legislation Those proposals necessitating revision of the Merchant Shipping Acts had been dealt with in the new Bill; they involved the revision of Part II of the Merchant Shipping Act 1894, Parts III and IV of the Merchant Shipping Act 1906, and of some sections of subsequent Acts Altogether, over 200 sections of Acts would be repealed The conditions prevailing on board ship were still regarded as requiring special statutory provision, particularly for the maintenance of discipline, however under the new Bill the legislative framework would be pruned of many obsolete or unnecessary provisions and others would be adjusted or modified to soften their impact on the ordinary seaman Some of the more important sections of the Bill are described below

Engagement, Discharge and Wages

A written crew agreement of a kind approved by the Board of Trade must be made between every seaman employed in a ship registered in Britain and his employer. The Board of Trade may make regulations relating to such agree-

ments and on other matters such as the discharge of seamen. (Seamen regularly employed by a specific company under general contract may be exempted from the new agreement provisions.) The presence of Board of Trade officials at the engagement and discharge of seamen will no longer be required, nor will character and conduct markings in a seaman's discharge book. Other provisions concern the method of payment of wages, deductions from wages, allotment of part of wages to dependants, and similar matters.

Health and Welfare

Regulations may be made under the Bill to ensure satisfactory conditions in seamen's quarters on board, to prevent overcrowding, and on matters concerning supply of water and provisions, medical stores and complaints from seamen.

Discipline

These clauses are designed to preserve the discipline needed for safe and efficient working of the ship and to ensure law and order among its crew, who may be closely confined together for long periods of time. The most serious offences will be treated as criminal offences and tried in the courts misconduct endangering the ship or those travelling on it will be punishable on indictment and conviction by imprisonment of up to two years or a fine, or on summary conviction by a fine of up to £200, drunkenness on duty and wilful disobedience to certain commands will attract a penalty on summary conviction of up to £50, continued or concerted disobedience or neglect of duty, a fine of up to £100 and absence without leave at time of sailing, a fine of up to £100. However, most offences on board will probably be dealt with as civil offences, i.e. as breach of contract Minor offences can still be dealt with by a fine imposed by the ship's master Experiments are to be made in certain ships with a new form of disciplinary procedure The Board of Trade may provide for the setting up of disciplinary committees on board ship, composed of seamen and officers, to exercise the disciplinary powers of the master, the regulations may be formed so as to apply to all ships or to any particular type of ship, and in all circumstances or in particular circumstances, as the Board of Trade may specify When appearing before the master, or before a disciplinary committee, a seaman will eventually have the right to have a friend with him to represent his interests

The Right to Strike

The Bill gives a seaman the right to terminate his employment, thus freeing himself from the disciplinary provisions of the Bill, by leaving his ship 'in contemplation or furtherance of a trade dispute' However this right may only be exercised when the ship is in British waters, safely moored at a safe berth, and when the master has been given 48 hours' notice

Miscellaneous

Other clauses cover manning and certificates of competency, disqualification; the holding of Board of Trade inquiries into casualties, re-hearings and appeals; documentation, reports and returns, inspection, stowaways; the master's power of arrest, and similar matters.

Fishing Industry

Most of the provisions of the Bill apply to fishermen as well as to merchant seamen, though separate sets of regulations are to be made. However, fishermen are to be exempted from many of the disciplinary clauses, though not from those relating to the most serious offences and to drunkenness on duty. Some of the

recommendations of the Holland-Martin Committee on Trawler Safety, which reported in July 1969 (*Cmnd.* 4114, HMSO, 14s 6d), have been incorporated in the Bill; other recommendations, mainly concerned with the construction and equipment of trawlers, will be covered in a Bill on trawler safety and related matters, probably to be introduced later in the current parliamentary session

Administrative Savings

Once the provisions of the Bill are fully in operation considerable savings should be possible in the numbers of Board of Trade staff employed on work arising from merchant shipping legislation (at present about 375). Savings are also expected in numbers employed by the Customs and Excise Department, consular staff abroad, and in administrative costs generally

Britain's Overseas Aid

MINISTER'S STATEMENT

Britain's future programme for overseas aid was the subject of a statement in the House of Commons on 27th November (*Hansard* col 633) by the Minister of Overseas Development, Mrs Judith Hart and of a debate on a private member's motion on the following day

Mrs Hart began by referring to the Second United Nations Development Decade, beginning in January 1971, the purpose of which she said will be '*to help the developing world to achieve a faster rate of growth so that it may* begin to have a fairer share of the growing wealth of the world She continued 'The Government believe it to be of great importance that as a major donor country with a high reputation for the quality and organisation and size of its aid programme, we should play our full part in this new development effort Despite our economic difficulties we have succeeded in maintaining official aid to the less developed countries at a high level during the life of this Government and we have greatly improved the terms of our aid in particular in the provision of interest free loans

'We have now examined our programme for the first three years of the Decade, and our purpose for the whole of the Decade in relation to the new target of 1 per cent of gross national product (GNP) set by the second UNCTAD conference (see 26.4.68 p. 440) and the particular recommendations of the Pearson Commission (see 7.11.69 p. 1006) concerning this

'Last February our White Paper on public expenditure gave estimates of £227 million for 1969-70 and of £235 million for 1970-71 for the total aid programme. Excluding the likely defence element in Britain's special aid to Singapore and Malaysia, this gives figures for economic aid of some £219 million for 1969-70 and some £227 million for 1970-71

'The Government have now decided that in 1971-72 all economic aid will be consolidated into one official aid programme and this will be increased from £227 million to £245 million, an increase of about £18 million

'In 1972-73 it will be further increased to £265 million, an increase for the year of £20 million In 1973-74 the last year of the present Public Expenditure Survey, the programme will accelerate by a further increase of £35 million to £300 million.

'These figures, together with the defence element in our special aid to which I have referred, will produce total figures of £270 million for 1972-73 and £305 million for 1973-74 which will appear in the White Paper on public

expenditure. These figures are in cash terms throughout and relate to gross disbursements.

'These then are our decisions about the official aid programme up to 1973-74. This is the element of total financial flows from Britain for this period which the Government can determine and about which it can give a commitment. But private flows—that is private investment and guaranteed export credits—are the second element in total flow, as it is reckoned in terms of the 1 per cent GNP target. Net private flows, as well as net official flows, count towards the target. The volume of private flows is not determined by Government, although it is influenced by Government policies. Their future level is difficult to predict and one can make varying estimates of the possible course of private flows during the 1970s. Taking a high estimate for private flows, we could expect to reach the 1 per cent target not much after the date of 1975 recommended by the Pearson Commission.

'We recognise the element of uncertainty which is bound to attach to estimates of private flows six years hence. So we shall keep the progress of both official and private flows under review. In any case, the Government intends, unless our balance of payments position should preclude it, to reach the target of 1 per cent total flow not a moment later than the end of the Second Development Decade.

'We seek the end of poverty wherever we find it, whether in the Britain we live in or the world we live in. Hunger and disease recognise no national frontiers. No government has a finer record than ours in the drive to end poverty at home. In a renewed and strengthened international drive to end world poverty, I believe that our new aid programme can make a vital and effective contribution.'

Flow of Resources to Developing Countries in 1968

The latest estimate of total flows of resources from Britain to the developing countries in 1968 was given by Mrs. Hart in answer to a parliamentary question on 27th November (*Hansard*, cols. 601-2). The figures[1] were as follows:

	£ million	% of GNP*
Official flow		
Official flow gross	210·6	
Amortisation	32·2	
Total net of amortisation	178·5	0·42
Private flow		
Private investment (net of disinvestment)	79·0	
Guaranteed private export credits	63·1	
Total	142·1	0·33
Total official and private flows (net)	320·6	0·75

* Gross national product at current market prices £42,894 million.

[1] These figures differ slightly from those published in the Ministry of Overseas Development's *British Aid Statistics 1964-68* (HMSO, 27s. 6d.). Explaining this on 28th November (*Hansard*, written answers, cols. 164-6) Mrs. Hart said: 'The major revision results from the exclusion of military credits from guaranteed export credits, recently agreed by the Development Assistance Committee of OECD. There have been minor corrections to other figures as further information has become available, and the estimate of gross national product has recently been increased.'

COMMONS DEBATE

There was a debate on a private member's motion on overseas aid in the House of Commons on 28th November (*Hansard*, cols. 773-872). The motion welcomed the report of the Pearson Commission, supported ' the full participation of the British Government and British private investment in international development effort ', but regretted ' the continued fall in the proportion of gross national product voted to overseas aid '. It was accepted without a division

Most of the speakers were in favour of increasing the amount of Britain's overseas aid. Mr. Crouch (Conservative), who introduced the motion, while acknowledging that the Government's future programme of expenditure was a move towards the UNCTAD target, expressed dissatisfaction that the flow of official aid would not reach the Pearson target of 0 7 per cent of GNP by 1975 Mr. Prentice (Labour), Mrs. Hart's predecessor as Minister of Overseas Development, found the Pearson proposals moderate and thought the Government should accept them. He considered that the Cabinet should give more priority to overseas aid and drew attention to the increasing dedication to this subject of people of conscience throughout Britain

Mr. Tilney (Conservative) believed that private aid was more efficient in the long term than public aid, although he recognised the need for the latter in the poorest countries, he suggested that the Government might encourage investment by private enterprise by means of a regulated bilateral insurance scheme Dame Joan Vickers (Conservative), who drew attention to the work of the Intermediate Technology Development Group,[1] stressed the importance of co-operation between the developed and developing countries to link aid to economic objectives and between the developed countries themselves to co ordinate their aid She quoted from a motion she had tabled at the General Assembly of the Council of Europe in which she had called for interest free loans to countries whose economic circumstances justified this concession for the provision of amenities for employees and their families when economic investment in regard to industrial concerns was undertaken for further provision for the technical training of persons in their own countries, aided studies in Europe being confined to postgraduate work for an increase in the facilities for training women, for a European insurance scheme to encourage further private investment, for all countries to encourage young people to volunteer for service in the developing countries and for the provision of better information on the developing countries through mass media and programmes of education

Mr Oram (Labour), formerly Parliamentary Secretary Ministry of Overseas Development while expressing some disappointment at the extent of future government expenditure, said he understood the reasons why the figures could not be higher He believed however that in relation to almost all the other Pearson criteria the Government had a success story to tell The setting up of the Ministry of Overseas Development and its successful work over five years showed that the objectives of clear purpose and coherence had been kept clearly in view. In the provision of interest-free loans, in effective aid management in the unequivocal attitude of the Government towards the multilateral machinery of aid and on the emphasis given to aid for agriculture and education the Ministry was living up to the standards and hopes expressed in the Pearson Report Mr. Oram believed that orthodox aid in its present form should be maintained and, as far as the balance of payments allowed (he put the adverse effect of the

[1] The Intermediate Technology Development Group Ltd is a private, non profit organisation, London (9 King Street, Covent Garden, London W.C.2), formed by people from industry and the professions to assist developing countries by collecting information on low cost, labour intensive techniques, publishing such information and giving assistance to specific projects Its publications include *Tools for Progress*, prepared in co-operation with the Overseas Liaison Unit of the National Institute of Agricultural Engineering.

aid programme on the balance of payments at about £70 million), expanded. In addition, he thought developing countries should be provided with a large flow of concessional import credits—' trade aid ' which could be used to finance the importing of equipment and materials needed for the development of the ' intermediate ' sector of their economies.

Mr. Onslow (Conservative) said that he wished to see economic progress throughout the world but believed that official aid and its growing institutionalisation acted as a major barrier to that progress. Many of those who were pressing for increases in the flow of official aid were putting about misleading concepts which would not stand close critical examination, he thought. The best way to benefit developing countries, and at the same time to protect Britain's reserves, was to concentrate resources on private investments. He did not think that any British Government could pledge themselves to fulfil the Pearson target of official aid by 1975; other pressures would pre-empt financial resources and the resulting disappointment of hopes raised would not be to Britain's credit or advantage.

Opposition Spokesman

The Opposition spokesman on overseas aid, Mr. Braine, thought that the Government's future programme fell short of what was required. Further, without the introduction of insurance for non-commercial risk, the flow of private capital to developing countries would be insufficient to fill the gap. The Government were, indeed, discouraging overseas investment, he said. Mr. Braine paid tribute to the work of the Commonwealth Development Corporation [see 6.6.69 pp. 505-7], which he regarded as the most successful single instrument for overseas development ever devised, but said that although its financial resources were being increased, the corporation was still uncertain as to what capital money it would have in March 1970, which made planning difficult. He drew attention to the number of thoughtful people, particularly younger people, who considered that the gap between the richer and poorer nations was dangerous, unhealthy and ought to be reduced. Britain had a direct interest in the alleviation of world poverty, in the quickening of economic and social development, and in the increase of world trade which would follow. Mr. Braine urged the Government to do more towards reaching the goals which the Pearson Report had set.

Sir Edward Boyle

Sir Edward Boyle (Conservative), a member of the Pearson Commission, emphasised that the aim of the commission's report was to promote self-sustaining growth, ' to urge developed countries to make a strong effort limited in time in order to get the poorer countries by the end of the century into a condition which will enable them to achieve a 6 per cent growth without further need for aid on concessional terms.' He added: ' The date may be ambitious but I am sure that the strategy behind the report is right.' The poorer countries had ' made their choice for development and to them it is part of their unfinished revolution.' Extremes of pessimism or optimism should be avoided. The average rate of growth for all developed countries between 1950 and 1968 had been 4.8 per cent. 35 developing countries had managed a growth in income per head of 2 per cent or more over a ten-year period, a rate comparable to that achieved by developed countries in Western Europe and North America between 1850 and 1950. Nevertheless, living conditions in enormous areas of the world still remained below the standard in Europe before the industrial revolution. The gap between the rich and the poor was still widening rapidly, but still worse was the absolute poverty of individuals in the poorest nations of the world. The aim of the Pearson Commission had been ' to set a target which called for a big effort,

but not so big as to make it easy for the donors to feel justified in rejecting it '. Sir Edward thought that the Government should have committed themselves to the UNCTAD target of 1 per cent by the Pearson date of 1975 As to the 0·7 per cent target of official development assistance, he would not have expected the Government to accept the commitment to fulfil that target by 1975. He had been 'instrumental in seeing that there was a paragraph in the report which emphasised the difficulty of certain countries with balance of payments problems ', but he thought that the Minister ought to have said that it was the intention of the Government to fulfil this target not later than 1980

Mr. Whitaker

The Parliamentary Secretary to the Ministry of Overseas Development, Mr. Whitaker, emphasised that the first lesson of the Pearson Report was that aid was succeeding, albeit at too slow a rate It had succeeded in helping those who were helping themselves But although 85 per cent of capital investment was being raised in the developing countries themselves the remaining 15 per cent being added by deveopment aid programmes was vital pump priming, crucial to the chances of success in the attempt to reach take-off point The developing countries were making great efforts themselves and wanted to be independent of aid as soon as possible and attain their own economic viability The Pearson Report held out hope that the task of aid could be completed by the end of the century

Mr Whitaker mentioned as a recent example of progress the so-called 'green revolution' the development, partly stemming from research by the Ford and Rockefeller Foundations, of new high-yielding strains of wheat rice and maize, which had resulted in the doubling or even trebling of foods where conditions were favourable Research was needed into the social consequences of the 'green revolution' however as in some areas it had enabled rich farmers who could afford irrigation improvements to become richer whereas the poorer peasants had suffered as a result of the sudden expansion of crops.

Real progress in development could not be separated from social reforms population planning or trade policies The terms of trade had worsened against the poorer countries, efforts to improve international systems both of liquidity and trade must be insisted on The developing countries needed markets not charity Trade could not be a complete substitute for development assistance as areas of profit were not always the same as areas of need Aid was therefore necessary, particularly to build up an infrastructure in transport power and education as a basis for economic advance There was nothing magical about the figure of 1 per cent, what was required was a comprehensive approach in which aid and other factors were included

The aim of aid, Mr Whitaker continued, should be to provide other people with the opportunity of choice not to dictate their politics or the size of their family, but to allow them to choose their economic system and way of life At present the poorer two-thirds of the world suffered from hunger and mal nutrition, illiteracy and lack of education, which gave no opportunity to people to save themselves from getting poorer Development was a race against popula tion increase and money spent on population control was probably the most cost-effective emergency solution, even though there was the danger that this might be resented by some developing countries

Britain had an extremely good record on aid matters, Mr Whitaker emphasised: 'We have increased the amount of our aid through multilateral channels from 11 per cent to 14 per cent in the last year Our contribution to UNICEF next year will be up by 20 per cent' The British contribution to the UN Development Programme had also been increased, another successful agency of international co-operation supported by the British Government was

the World Bank. The Pearson Report praised the policy of granting interest-free loans, a policy which had been adopted by Britain for some time and was being taken further. 'Of about £96 million in our loans committed in 1968, 66 per cent were interest-free, compared with 57 per cent in 1967 and 43 per cent in . 1966. Of our new government-to-government loan commitments entered into last year, 90 per cent were interest-free.'

The Government were not complacent about their aid programme, however. The direction and effectiveness of their aid policies had continually to be re-examined 'There are also increasing arguments why the developing world requires, not grandiose prestige projects, but intermediate and rural technology to help counter the drift of populations crowding into urban areas Labour-saving, capital-intensive attempts at industrial development could in some cases do more harm than good for the peasants who comprised four-fifths of the population of the developing world Messrs René Dumont[1] and Dr Schumacher[2] urged that it might be better to change the emphasis to basic technology and village industries. These could provide maximum employment for local inhabitants as well as helping to develop community projects and self-help '

Britain should give aid, even at a time when the Government had borrowed abroad, because it was morally right to do so Fortunately, ideals and morality coincided with self-interest. The prosperity of Britain as a trading nation depended on the growth of world commerce and the undeveloped purchasing power of two-thirds of the world represented potentially valuable markets. Mr Whitaker concluded by saying that if there were retaliatory escalation by Russia, China and the West in aid programmes, that might be all to the good

Mrs. Hart

Speaking at the end of the debate (immediately after her return from the annual high-level meeting of the Development Assistance Committee of the Organisation of Economic Co-operation and Development in Paris), the Minister of Overseas Development Mrs Hart, distinguished between the officially-accepted UNCTAD target of 1 per cent total flow and 'the not-yet-official Pearson target of the dates at which 1 per cent should be reached and at which an element of official flow should be reached ' In her statement on the preceding day (see p 30) she had indicated what public expenditure would be up to 1973-74 and 'where that took us with regard to the Pearson target up to 1973-74 ' She had not been giving a Government statement on the Pearson Report.

The British Government projected forward in public expenditure terms only for a limited number of years ahead This was one of the problems which the Pearson recommendations presented to countries in terms of advance planning, as they asked for commitments stretching beyond the period to which the normal planning of economic matters related. Mrs. Hart believed that it was 'better not to make advance commitments until one is in a position in which one can guarantee that one will meet them ' This had always been the attitude which Britain had taken on commitments of this kind An advance commitment of 0 7 per cent of official flow had been asked for. but normally in the Government's projections of public expenditure over a period such as that up to 1973-74 the expenditure for the last two years of that period was not finally resolved until a later date Nevertheless, the public expenditure figures taken to 1973-74 were firm and they represented in the last year an increase of 13 per cent in the British aid programme. If the figures were projected forward, the Pearson target of 0 7 per cent would be reached by 1980. No guarantee that

[1] M René Dumont, a French agronomist, Director of Research at the Institut National Agronomique, is the author of *L'Afrique Noire est Mal Partie*, published in English as *False Start in Africa* (Deutsch 1966).

[2] Dr E. F. Schumacher, Economic Adviser to the National Coal Board in London since 1950 and as Director of Statistics since 1963, was seconded to the United Nations in 1955 to serve as Economic Adviser to the Government of Burma and was invited in 1962 to advise the Indian Planning Commission on problems of development policy He is the author of a number of articles on development subjects.

this could be done could be given at this stage, however, as it was not possible to project public expenditure programming beyond 1973-74.

'What I have been doing,' Mrs. Hart said, 'is to set us on course to reach the Pearson target, although not at the earliest date. I wish we could. As the developing countries themselves are the first to appreciate, we have been in acute economic difficulties with our balance of payments problems. We have had a static figure of aid. The main purpose of the Government has been to get us out of that static period and on to a rise.' This had been done effectively, as the figures given the previous day had shown.

Pakistan

BRITISH AID AND CONTRACTS

A loan agreement was signed in Islamabad on 15th November, under which Britain is to provide economic aid to the value of £6 million to Pakistan This includes £5 5 million of Britain's aid pledge of £9 5 million for the current financial year, given at the Pakistan aid consortium meeting in Paris last May [see 4.7.69 p. 584], together with an additional £500,000 which it subsequently proved possible to offer. Like all British loans to Pakistan since 1966 the sum is interest-free and repayable over 25 years including an initial seven-year grace period. It brings the total of British financial aid to Pakistan since 1954 to over £105 million.

The new loan represents non-project aid and will be used for the purchase from Britain of requirements such as chemicals dyes, pharmaceutical raw materials, drugs and medicines, fertilisers, forgings and castings, marine diesel engines, printing machinery, scientific equipment, and spare parts of various kinds needed to maintain industrial and agricultural production in Pakistan

The remaining £4 million of Britain's consortium pledge comprises project aid. A loan agreement for £2 5 million for the Tarbela Dam was signed in Islamabad on 29th September, and it is expected that the balance of £1 5 million will be required to complete the scheme for the electrification of the Pakistan Western Railway between Khanewal and Lahore

The Tarbela Dam loan was the second instalment of bilateral aid up to £10 million promised by Britain as a signatory of the Tarbela Dam Development Fund Agreement in 1968 A first instalment of £1 5 million was provided under a loan agreement signed in March 1969 This project, which forms the second stage of the internationally-financed multi-purpose Indus Waters development scheme, is scheduled for completion in 1976 and will then be the largest earth and rockfill dam in the world Along with the Mangla Dam, which was inaugurated in November 1967 [see 8.12.67 p 1235], it will provide irrigation in the dry season for an area of 33 million acres and will have a hydro-electric potential of 3,000 megawatts. As well as the £10 million of loans promised by Britain for the Tarbela fund, there is a balance of about £9 million remaining available from British grants of up to £34 8 million, pledged outside the consortium programme to the Indus Basin Development Fund when it was set up in 1960. These funds are being used to finance a substantial part of the foreign exchange costs of the Tarbela project

For the railway electrification programme, which was begun in 1966 and is now nearing completion, Britain had by March 1969 provided aid of nearly £7 million.

British publicly financed technical aid to Pakistan, under the Colombo Plan and other programmes, is now at a rate of nearly £1 million annually. It includes places in Britain for students and trainees (numbering 375 at the end

of 1968); the services of experts recruited in Britain for work in Pakistan (48 at the end of 1968, and, in addition, 35 volunteers, many of them qualified, whose expenses were paid by the British Government); and the supply to Pakistan of specialised equipment.

As well as official aid, British private investment in Pakistan plays a significant part in the country's economy—especially in the oil and natural gas industries, but also in agriculture, engineering, manufacturing and construction. In 1965 the book value of British direct investment in Pakistan (excluding banking, insurance and oil) was estimated at £39·5 million, of which approximately £17 million was in manufacturing industry and £12 million in agriculture. New net investment has been at a slightly lower rate since 1965, and was estimated at £1 7 million in 1967.

Contracts Awarded to British Firms

Among recent contracts awarded to British firms by Pakistan, the largest was an order placed in November 1969 by the East Pakistan Industrial Development Corporation (EPIDC) to a consortium of machine-tool manufacturers for the supply of plant and equipment to the value of £3 5 million for the re-establishment of a machine-tool industry It is reported that negotiations connected with this project have been going on for some six years and that the British consortium won against fierce competition from several major industrial countries.

The EPIDC, together with the private sector of the Pakistan jute industry, earlier in 1969 placed contracts valued at over £500,000 with the textile machinery division of the firm of Giddings and Lewis-Fraser of Scotland and its East Pakistan subsidiary, Galfra Habib

An important order for seamless steel tube to be used by the Pakistan Western Railway went early in 1969 to the Sheffield firm of Howell and Co

A British firm, International Construction Co, has been given the contract to prepare a project report for the Karachi Steel Mill and has entered into an agreement with two Pakistani concerns which are acting as local consultants The plan for a steel mill at Karachi, based on imported ore, was approved by the Government in mid-1968 This will be the country's second steel mill. The first, at Chittagong, went into production in January 1967

It was announced in September 1969 that the United Nations Industrial Development Organisation (UNIDO) had awarded a contract to the British firm of Humphreys and Glasgow to carry out pre-investment studies for the promotion of the fertiliser and petrochemical industries in Pakistan. The purpose of this project is to assist the Government of Pakistan to use the raw material resources provided by its large reserves of natural gas and the by-products of the oil refining industry Under the contract, Humphreys and Glasgow will study the specific combinations of petrochemical and fertiliser industries in East and West Pakistan which show favourable economic possibilities. In addition to fertilisers, the studies will cover such products as plastics, synthetic rubber, detergents and pesticides The contract is part of a three-year project being carried out by the Government of Pakistan with the assistance of the Special Fund of the United Nations Development Programme (UNDP). UNIDO is acting as the executing agency on behalf of the UNDP The total cost of the scheme will be $2,632,000, of which the UNDP has earmarked $1,532,000 and the Government of Pakistan will contribute the equivalent of $1,100,000.

ECONOMIC PROGRESS

Pakistan's economy is still based largely on agriculture, which contributes nearly half of the gross national product and earns more than half of the country's foreign exchange. The principal food crops are rice and wheat, and the main

cash crops are jute, cotton and tea. Industry—including cotton and jute textiles, cement, fertilisers, and oil and natural gas production—has been developing fairly rapidly, and employment in manufacturing and other non-agricultural occupations is rising. Economic development has experienced a number of setbacks in recent years. In 1965 the outbreak of hostilities with India led to a sharp increase in defence expenditure and an interruption in the flow of foreign aid, thus drastically reducing for a time the funds available for economic investment. Immediately afterwards the country was faced with two successive seasons of drought and flood with consequent harvest shortfalls, so that scarce foreign exchange had to be used for increased imports of food. Early in 1969 the political unrest which led to President Ayub Khan's resignation and his replacement by President Yahya Khan on 31st March, placed the economy under further strain. Despite these difficulties substantial progress has been made in most sectors.

An economic survey for 1968-69, published in June, revealed a growth rate of 5·2 per cent in the gross national product (compared with 7·5 per cent in 1967-68 and 5·1 per cent in 1966-67) and an increase in per capita income from Rs.399 in the previous year to Rs.408 (Rs.11·43 = £1 sterling). Agricultural production, in particular, showed a marked improvement, and a position of virtual self-sufficiency in foodgrains was achieved in West Pakistan, although in East Pakistan, which suffered from flood damage affecting both rice and jute crops, the position was less satisfactory.

The industrial sector did not maintain the tempo which had been hoped for, largely because of reduced availability of raw materials, both imported and domestic, and of dislocation stemming from political and labour unrest. In large-scale industry the growth-rate declined from 7·8 per cent in 1967-68 to 7·4 per cent (against a target of 14 per cent). Nevertheless, by 1968-69 the contribution of manufacturing to the gross national product had risen to 11·8 per cent compared with 5·8 per cent in 1949-50. Under Pakistan's fourth five-year plan, which is due to begin in July 1970, the expansion of industry is to be given the priority which in earlier plans has been accorded to agriculture. Some of the large industrial projects now under construction have already been mentioned, including the steel industry project (a third mill is planned, giving a combined total capacity from all three of 750,000 tons) and the project for fertiliser production. A heavy engineering complex is being developed, and notable progress has been made in the jute and paper industries.

In the ten months to April 1969, Pakistan's exports rose by 12 per cent over the same period of the previous year, and the gold and dollar reserves increased from Rs crores 86·43 to Rs crores 150·73 (Rs one crore = £875,000). Britain continued to be the largest purchaser of goods from Pakistan, taking over 12 per cent by value of all exports, and supplying about the same proportion of imports (the United States is the main supplier).

Further Provisions for the Disabled

SECOND READING OF PRIVATE MEMBER'S BILL

A private member's Bill intended 'to increase the welfare, improve the status and enhance the dignity of the chronically sick and of disabled persons' in England and Wales was given a second reading in the House of Commons on 5th December (*Hansard*, cols 1851-1934). The Bill, known as the Chronically Sick and Disabled Persons Bill, was introduced by Mr Alfred Morris, Labour Member of Parliament for Manchester, Wythenshawe. It contains over 30 clauses covering such matters as health and welfare services for the disabled, housing, access to public buildings, travel concessions, vehicles and employment. Provisions in the Bill have been suggested by members on both sides of the House of Commons and by many organisations and individuals.

Introducing the Bill, Mr Morris said that most disabled people wanted to lessen their dependence on others and to live as normally as they could in their own homes and, wherever possible, to have the opportunity to contribute to industry and society as fully as their abilities allowed. There were provisions in the Bill which would require very little public expenditure and which in terms of priority were wholly admissible on grounds of social justice.

Provisions of the Bill

The following are the main provisions of the Bill.

Local authorities should maintain a register of chronically sick and disabled people (as they already do in the case of blind people) and hospitals should keep a register of those admitted for long-term treatment. Local authorities and hospitals should make available to the chronically sick and disabled information on all the facilities available to them. Certain provisions for the disabled which are at present permissive should be mandatory upon local authorities. This clause is intended to standardise the provision made by local authorities and covers such matters as practical assistance in the home, assistance in adaptations to the home, recreational and travel facilities, sheltered workshops and transport to and from them, assistance to disabled people to engage in employment other than in sheltered workshops, meals services, and the supply of equipment and appliances.

The Bill also covers the provision by local housing authorities of adequate special housing for the disabled, access to public buildings to people in wheelchairs, and the provision of reserved parking space for disabled drivers. Mr Morris referred to the City of Norwich scheme for making public buildings accessible to the disabled, signposting them and providing special parking arrangements.

Among provisions coming within the National Health Service, the Bill would make it mandatory for local authorities to provide a chiropody service, at present provided under permissive powers. It would extend the provision of motor vehicles to the disabled including, for the first time, people so disabled

that they were unable to drive themselves. The Bill would make it unlawful for chronically sick young people to be kept in geriatric accommodation without the permission of the Secretary of State for Social Services.

Special provisions for the deaf include a clause making it unlawful for employers to discriminate against a partially-deaf person: the extension of training and employment facilities for the totally deaf, and the establishment of an Institute of Hearing Research

Government Support

Dr. John Dunwoody, Joint Under-Secretary of State at the Department of Health and Social Security, said that he welcomed any opportunity of dealing with the problems of the chronic sick and the disabled There would be need for careful reflection on each of the many clauses of the Bill as it might turn out that some of its provisions duplicated powers which the authorities already had. Referring to invalid vehicles, Dr Dunwoody said that Britain did far more in providing free transport for the disabled than any other country and the Government attached great importance to giving disabled people mobility

The Government Social Survey had carried out a large survey of the adult chronic sick and disabled living at home This had inquired into the nature of handicap, housing circumstances, financial matters and access to the various health and welfare services The task of co-ordinating the information obtained would be completed in the middle of 1970 The survey would help the Government to get its priorities right for the disabled and assist in the definition of chronic sickness and disablement

[An outline of the services available for the disabled is given in COI reference pamphlet *Rehabilitation and Care of the Disabled in Britain* RF 4972/69]

DOCUMENTATION

Government and Administration

Local Authorities (Goods and Services) Bill (E. & W). Second reading of a Bill which (a) would enable local authorities and other public bodies to co-operate in purchasing goods and services, (b) would allow one authority to provide another with professional or technical services, (c) would allow authorities to share vehicles, plant or other apparatus, and (d) would enable one authority to carry out, by arrangement, maintenance work on the land or buildings of another authority	*Hansard*, 24.11.69 cols. 41-117
Law Reform Second reading of a private member's Bill Law Reform (Miscellaneous Provisions) Bill to abolish actions for breach of promise, the right to claim damages for enticement, seduction and harbouring of spouse or child, and claims for damages arising out of adultery	*Hansard*, 5.12.69 cols. 1935-40
Police Act 1969 Royal Assent see 5.12.69 pp. 1061-2]	*Hansard*, 11.12.69 col. 709
Prisons (E. & W.) Report on the work of the Prison Department, 1968	Cmnd. 5187 HMSO, 6s 6d
People in Prison (E. & W.) White Paper outlining the tasks of the prison service, its achievements in improving various aspects of institutional treatment and after-care, and the contribution made by research to the effectiveness of its work	Cmnd. 4214 HMSO, 12s 6d
Police (E. & W.) Observations by the Secretary of State for the Home Department on the second report of the Estimates Committee, session 1968-69	Cmnd. 4235 HMSO, 1s 3d
Machinery for the Collection of Debts (Northern Ireland) The establishment of a new central office with the title 'The Master for the Enforcement of Judgment' is proposed by the Government of Northern Ireland to replace the existing system of debt collection and judgment enforcement. The new machinery would represent a radical reform of the laws relating to debt, and would be a step in advance of the rest of the United Kingdom.	Press release Ulster Office 2.12.69
Scottish Criminal Procedure The Secretary of State for Scotland announced that, on the recommendation of the Scottish Law Commission, a departmental committee is to be set up to examine trial and pre-trial procedures in Scotland (including appeal procedures) for the prosecution of persons accused of crimes and offences; and to report whether, having regard to the prevention of crime on the one hand and to the need for fairness to accused persons on the other, any changes of law or practice are required.	Press release Scottish Home and Health Department 3.12.69

Laws of Marriage (E & W). The Law Commission and the Registrar-General have set up a working party under the chairmanship of Mr. Justice Scarman to inquire into the formal requirements for the solemnisation and registration of marriage and to propose what changes are desirable.	Press release Lord Chancellor's Office 4.12.69
Law Commission (E & W). Fourth annual report, Law Commission No. 27, 3rd December 1969.	HMSO, 4s
The Crown Estate. Report of the Commissioners for the year ended 31st March 1969	HMSO, 2s 6d

Economic and Scientific Affairs

Motor Industry Statistics 1959-68 A Data Book prepared by the National Economic Development Office	HMSO, 10s
Computer-aided Design Committee Second annual report, 1968-69. Submitted to the Minister of Technology on 13th October 1969	Ministry of Technology 19.12.69
Economic Survey and Annual Review of United Kingdom, by the Economic and Development Review Committee of the Organisation for Economic Co-operation and Development	HMSO, 5s 6d
Public Finance in Britain	COI R 5622/69
British Civil Aviation	COI R 5631/69
Pharmaceuticals Industry Fact Sheet on British Industry	COI R 5776/33

Social and Cultural Affairs

Rent (Control of Increases) Act 1969 Royal Assent see 5.12.69 p. 1087).	*Hansard* 11.12.69 col. 706
National Water Recreation Centre The Minister of State Ministry of Housing and Local Government announced that work had started on a scheme to provide a national rowing and canoeing regatta centre at Holme Pierrepont near Nottingham. The Central Council for Physical Recreation will be responsible for the scheme, which is expected to cost £570,000, of which the Government is to pay £247,000 and Nottinghamshire County Council the remainder. The centre will provide a course of international standard: a 2,000-metre rowing and canoeing course, spectator accommodation, changing accommodation for 200 people, a hostel of 50 beds and administrative buildings	*Hansard* 16.12.69 written answers col. 764
British Broadcasting Corporation Annual report and accounts for 1968-69	Cmnd 4216 HMSO, 22s 6d
Independent Television Authority Annual report and accounts for 1968-69	HMSO, 12s 6d
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Social Science Research Council. Annual report for 1968-69.	**HMSO, 17s 6d**
New Race Relations Research Unit. A new research unit to study race relations is to be set up in Bristol University by the Social Science Research Council. The unit, which will be headed by Professor Michael Banton, Professor of Sociology at the University, will undertake research to help to explain such questions as the origins of prejudice, the patterns of discrimination and family structure in immigrant communities. The unit will cost about £40,000 in a full working year and will be established for five years in the first instance.	**Press release Social Science Research Council 16 12 69**
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Contents

Abolition of the Death Penalty in Great Britain

The permanent abolition of the death penalty in Great Britain was decided upon by the United Kingdom Parliament after a motion in favour had been accepted by the House of Commons by a majority of 343 to 185 in a free vote (*Hansard*, 16.12.69, cols. 1106-1294) and by a majority of 220 votes to 174 in the House of Lords (*Hansard* [H.L.], 17.12.69, cols. 1106-1243, and 18.12.69 cols. 1264-1320).

In the House of Commons the motion was moved by the Home Secretary, Mr. Callaghan, and in the House of Lords by the Lord Chancellor, Lord Gardiner. Both explained that it was necessary for Parliament to reaffirm the decision it had taken in 1965 [see 23.11.65 p. 1170] because the legislation which then abolished capital punishment—the Murder (Abolition of Death Penalty) Act 1965—contained a clause to the effect that unless Parliament by Resolution of both Houses determined otherwise, the Act should expire on 31st July 1970 and that the law existing immediately prior to its passing should again become operative.[1]

Reasons for Abolition

The reasons given in the House of Commons by the advocates of permanent abolition (who were supported in the division lobbies by the leaders of all three main political parties) were, very briefly, as follows:

(a) Capital punishment was not a deterrent (cols. 1167, 1181, 1201, 1216, 1232, 1290). Although statistical arguments were not conclusive the available figures gave no clear evidence that the abolition of the death penalty had led, during the experimental period, to an increase in the homicide rate, which had remained 'remarkably stable' (col. 1153). As regards safeguarding the lives of police and prison officers, which was a cause of public concern, it had not been established that the death penalty was necessary to protect the forces of law and order (col. 1153).

(b) Abolition had little or no bearing on the incidence of violent crime. Government support for research projects into and international studies of the causes and prevention of violence provided a more constructive approach to the problem and offered 'more long-term hope to society than the despair of returning to hanging' (col. 1161).

(c) Evidence obtained from overseas countries would seem to show that there were fewer murders in Britain than in most advanced societies

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[1] The Homicide Act 1957, which limited the death penalty to murders classified as 'capital murders,' defined as murder done in the course or furtherance of theft, murder by shooting or by causing an explosion, murder committed to escape lawful arrest or to effect or assist escape or rescue from legal custody, murder of a police officer (or person assisting him) acting in the execution of his duty, or murder by a prisoner of a prison officer (or person assisting him) acting in the execution of his duty. Under the Act the penalty for murder not in capital categories was imprisonment for life, except that the death penalty continued to apply where a person who was convicted of murder had previously been convicted of another murder committed in Great Britain on a different occasion. The Act also abolished the doctrine of constructive malice and introduced the defence of 'diminished responsibility'.

(col. 1164). Overseas experience tended to support the assumption that capital punishment was not a deterrent to murder (cols. 1166, 1181).

(d) The re-introduction of the death penalty might lead to the execution of innocent men (cols. 1167, 1218, 1247, 1278).

(e) Capital punishment inflicted by the State lowered the moral standard of the whole community (cols. 1168, 1218, 1232, 1247, 1252, 1274)

Opposing Views

The majority of those who opposed the motion were in favour of extending the experimental period until further evidence was to hand regarding the effect of abolition or until Parliament had had time to amend the 1957 Act (which was unacceptable in the terms in which it had been enacted). The reasons given for wishing to impose a delay were, briefly

(a) There were certain circumstances in which abolition of the death penalty might put a premium on murder (col. 1173). In some cases criminals might be prepared to commit murder to avoid detection or arrest in the knowledge that 'they will not be exposed to any particular penalty very much in excess of what they would suffer in any event if they are apprehended' (col. 1282)

(b) The restoration of the death penalty would save lives and discourage violence (cols. 1184, 1190, 1196, 1200, 1238)

(c) The majority of the public were against permanent abolition (cols. 1195, 1268, 1285)

The House of Lords

The arguments in the House of Lords for and against permanent abolition of the death penalty were similar to those put forward in the House of Commons

United Kingdom Parliament

FACILITIES FOR MEMBERS

Government proposals for an allowance of £500 a year for secretarial assistance to members of the House of Commons and for an increase from 4½d to [illegible] a mile in their car allowances were announced in the House by the Lord President of the Council and Leader of the House, Mr Peart on 11th December (*Hansard*, cols 653-62). On the same day the Lord Privy Seal, Lord Shackleton, announced a government proposal to increase peers' expenses and allowances (*Hansard* [HL], cols 671-4)

Secretarial Assistance

On the subject of secretarial assistance to members of the House of Commons, Mr Peart reminded the House that he had already announced the Government's acceptance in principle that provision should be made for [illegible] at public expense [see 15.8.69 p. 9641]. He had since consulted many members about the arrangements which they would find most convenient and efficient, and the great majority wished to continue to make their own personal arrangements. Many had stressed the confidential nature of their work and the ob[illegible]

advantages of having secretarial assistance familiar with their personal and constituency arrangements.

While concluding, therefore, that members should continue to be able to make their own arrangements, the Government had given careful and detailed consideration to what assistance from public funds should be provided for this aspect of parliamentary assistance. Any such assistance would be of an interim nature at this stage, since the Government considered, as the House already knew, that the whole question of the remuneration of members should be referred to the National Board for Prices and Incomes, or its successor, during the next Parliament.

The allowance of £500 a year decided upon would be payable on a quarterly basis, beginning with the quarter ending on 31st December 1969, said Mr. Peart. It would be payable only in respect of secretarial expenses actually incurred during the period for which a claim was made, and in making such a claim to the Inland Revenue members would need to substantiate expenditure of at least the amount claimed in the same way as they did for other expenses. In answer to a question whether the £500 would be liable to tax, Mr. Peart replied in the affirmative. The allowance was a deduction from expenses incurred, he explained, and the balance would be allowable for tax purposes in the normal way.

Car Allowance

The increase in the car allowance proposed by the Government followed the basis of calculation adopted in the Lawrence Report [see 24.11 64 p. 1125], and broadly reflected the average cost of first-class rail travel. As at present, it was not directly related to the cost of car expenses A change of basis of calculation of this nature would, said Mr Peart, have to wait for the overall review of remuneration that he had already mentioned

The Government also proposed a number of changes ' to improve and rationalise our present travel arrangements ' It was proposed, for instance, that, in future, the payment of the car allowance should, in certain circumstances, be made when a car was used on behalf of a member rather than by the member himself, ' such as when it is driven home from a member's local railway station after the member himself has continued his journey by train '.

Peers' Expenses

In regard to the expenses allowances payable to members of the House of Lords, and their car allowances and official travel arrangements, Lord Shackleton reminded the House that peers had been entitled, since 1964, to claim reimbursement of expenditure necessarily incurred in connection with attendance at sittings of the House up to a maximum of four and a half guineas (£4 14s 6d) for each day's attendance. While a number of peers had not found it necessary to claim the full amount, representations had been made that the sum was no longer realistic in relation to the kind of expenditure for which it was intended to provide, for instance, hotel accommodation, meals, taxis in London and other incidentals The Government had therefore reviewed the position and had concluded that the increase since 1964 in the cost of the items of expenditure which the allowance was intended to cover justified a rise to £6 10s in the amount of the upper limit which might be claimed. Their proposals for peers' car allowances and travel arrangements were the same as those proposed for members of the House of Commons.

Implementation of Proposals

Motions to implement the above proposals were made in both Houses on [illegible] December (*Hansard*, cols. 1693-1722 and *Hansard* [HL], col. 1326).

Northern Ireland

REFORM LEGISLATION

The Northern Ireland Government's initial programme of reform legislation was completed on 18th December with the granting of Royal Assent in the Northern Ireland Parliament to the Local Government Bill which establishes a Commission to make recommendations on local government wards in the Province [see 12.9.69 p 798] Other parts of the programme, completed earlier, relate to machinery for the investigation of complaints by the public in the field of local and central government, methods of improving community relations, and the extension of local government franchise

Machinery for the Investigation of Complaints

To investigate complaints against Government departments, an Act was passed to appoint a Parliamentary Commissioner [see 12 9 69 p 798], who took up his duties on 1st July A further Act, the Commissioner of Complaints Act provides for the appointment of a Commissioner, wholly independent of the Government, with powers to deal with complaints of injustices suffered as a result of maladministration by certain local or public bodies, including all local authorities and New Towns Commissions, and such bodies as the Electricity Board for Northern Ireland, the Northern Ireland General Health Services Board, the Northern Ireland Hospitals Authority, hospital management committees, and the Northern Ireland Housing Trust The Commissioner, who started work on 22nd December, has already set up his department, which includes a number of officers who will be able, if required to travel to any part of the Province to look into complaints All investigations are to be conducted in private, the Commissioner having High Court powers regarding the attendance and examination of witnesses and the production of documents

The machinery provides, in cases where complaints are held to be well founded, for the Commissioner to attempt to obtain a settlement If this is not possible, a county court judge may award the complainant damages to compensate him for loss or injury sustained The judge also has power to order the local or other authority concerned to take or to refrain from taking any particular action In such cases, the report of the Commissioner can be used in court proceedings

Community Relations

Two Acts have been passed dealing with community relations a Minister of Community Relations [see 12 9 69 p 799] has been appointed and a Community Relations Board [see 12 9 69 p 798] set up

Local Government Franchise

The Electoral Law Act, which received Royal Assent on 25th November extends the local government franchise [see 6 6 69 p 490] to all persons over the age of 18

EXTERNAL AFFAIRS AND DEFENCE

Anglo-Libyan Relations

AGREEMENT ON EVACUATION OF BRITISH FORCES

Negotiations between the British and Libyan Governments on the withdrawal of troops, and for the establishment of a new relationship of co-operation on a basis different from that of the Anglo-Libyan Treaty of 1953, opened in Tripoli on 8th December 1969. The negotiations include all aspects of Britain's relations with Libya in the defence field.

A joint communique, issued at the conclusion of the second meeting on 13th December, stated that an agreement had been concluded between the two Governments for the evacuation of all British forces and equipment from Libya to begin on 14th December and to be completed by 31st March 1970. The Libyan Government promised to offer all possible facilities to complete this operation. It was agreed that the British buildings in Libya should be handed over to the Libyan authorities. The communique concluded by expressing the satisfaction of both sides in the negotiations that agreement had been reached on fixing a date for rapid evacuation; this would allow for the building of good relations between the British and Libyan peoples. According to press reports families of British servicemen in Libya began returning to Britain on 15th December.

Negotiations also began on the future of the United States Air Force base at Wheelus Airfield (5 miles from Tripoli) between Libyan and United States delegations on 15th December. The United States delegation agreed in principle, at the opening of the talks, to withdraw their forces and equipment from Wheelus base. On 23rd December agreement was reported to have been reached that the evacuation would be carried out in stages and completed by 30th June 1970. The Wheelus base was established under the U.S.-Libyan Base Rights Agreement of 1954.

Background to the Negotiations

Libya and Britain have been linked since 1953 by a twenty-year Treaty of Friendship and Alliance, by which the two countries agreed to give each other all facilities and assistance for mutual defence. A military agreement attached to the treaty provided for co-operation in training and equipment and allowed Britain the use of specified areas in Libya for military purposes, and the freedom of movement of troops into and within the country. Since 1952 a British military mission has trained Libyan forces and assisted that country in building a national defence system. In March 1965, by mutual agreement, the British military forces in Tripoli were withdrawn. By the beginning of 1969 the only British forces regularly stationed in Libya were an Army detachment at Tobruk and Army and Royal Air Force personnel at the El Adem staging post.

On 1st September 1969, while King Idris was in Turkey receiving medical treatment, a group of young Libyan army officers overthrew the monarchy and announced the establishment of a republic. The old constitution was annulled

and the Libyan Parliament and other institutions of the previous regime dissolved, while the King's nephew, Crown Prince Hassan Ar-Rida, made a broadcast renouncing his claim to the throne. The new Arab Republic of Libya was recognised by the Governments of Britain and the United States on 6th September. On 8th September the Revolutionary Command Council (which had been set up by the young army officers) announced the formation of a new Libyan Government headed, as Prime Minister, by Dr. Mahmoud Soliman al Maghrebi. The Chairman of the Revolutionary Command Council, Colonel Mua'mmar al-Qadhafi, is also Commander-in-Chief of the Libyan armed forces.

On 29th October the Libyan Government formally asked Britain to enter into negotiations for the early evacuation of British forces from Libya The British Government, in its reply on 13th November, stated that it hoped to open a new relationship of co-operation on a basis different from that of the 1953 treaty and was therefore willing to open negotiations to that end immediately

Termination of Air Defence Contract

A contract for the supply to Libya of a mobile air defence system of advanced design was awarded to the British Aircraft Corporation (BAC) in April 1968 On 29th December 1969 the corporation stated that, despite extensive and friendly discussions conducted since mid-November with the Defence Ministry of the new Libyan Government concerning its air defence requirements, it had not been possible to make arrangements to enable the BAC to continue to execute its contracts and the corporation had therefore, with regret given notice of termination to the Libyan Government in accordance with the terms of the contracts.

NATO and East-West Relations

NATO MINISTERIAL MEETINGS

On 3rd December the North Atlantic Treaty Organisation (NATO) Defence Planning Committee met at Brussels to discuss force plans for 1970 and to discuss the guidelines for nuclear consultation procedures and for the defensive tactical use of nuclear weapons in the treaty area proposed by the seven nation Nuclear Planning Group (see 21 11 69 p 1030) and recommended by the Nuclear Defence Affairs Committee On 4th and 5th December the North Atlantic Council met in ministerial session one of the main topics of discussion was the future development of relations between Eastern and Western Europe After the meetings a communique and a declaration were issued

Communiqué

1 The North Atlantic Council met in ministerial session at Brussels on 4th and 5th December 1969 The meeting was attended by Foreign Defence and Finan Ministers

2. Since the signing of the North Atlantic Treaty 20 years ago the members of the Alliance have dedicated their efforts to the preservation of their freedom and security and to the improvement of East-West relations in the aim of reaching an ultima peaceful solution of outstanding problems in Europe They will continue to do so

3. By approving in December 1967 the report on the future tasks of the Allianc the allied Governments resolved to maintain adequate military strength and politic

solidarity to deter aggression and other forms of pressure and to defend the territory of member countries if aggression should occur: and to examine suitable policies designed to achieve a just and stable order in Europe, to overcome the division of Germany and to foster European security.

4. On the basis of these two concepts of defence and the relaxation of tensions, the Ministers issued the declaration attached to this communiqué in which they set forth their views on the future development of relations between Eastern and Western countries.

5 Ministers welcomed the opening of strategic arms limitation talks They acknowledged the work in progress with regard to arms control on the sea bed, as well as the interest shown both by the Conference of the Committee on Disarmament and the United Nations in measures to deal with chemical and biological warfare On all these questions the Council held detailed consultations which proved most useful in preparing the ground for the negotiations taking place elsewhere The Ministers invited the Council in permanent session to continue to examine these problems, and reaffirmed the importance of any genuine disarmament measure, consistent with the security of all states and guaranteed by adequate international control, for the reduction of tension and the consolidation of peace in Europe and the world

6 The Ministers also studied a report by the Secretary-General on the situation in the Mediterranean Recalling the communiques issued on 27th June 1968 [see 19 7 68 p. 665] and 16th November 1968 [see 3 1 69 p 12], they expressed the concern of their governments with regard to the situation in that area The Ministers reaffirmed the value of full consultations among the allies on this question Accordingly, they requested the Council in permanent session to pursue with the greatest attention its examination of the situation in the Mediterranean and to report to Ministers at their spring meeting

7 In April 1969, Ministers called attention to the role the Alliance might play in tackling common environmental problems that could imperil the welfare and progress of modern societies Consequently, the Council in permanent session established a Committee on the Challenges of Modern Society The new committee, beginning with its first meeting on 8th December, will address these urgent problems with the aim of stimulating action by members of the Alliance, either singly, jointly or in international organisations The Ministers at their spring meeting will receive the committee's first report on the newest task of the Alliance

8 Ministers of countries participating in NATO's integrated defence programme met as the Defence Planning Committee on 3rd December 1969 As an introduction to their discussions the Secretary-General and the Chairman of the Military Committee gave overall appraisals of the state of defence planning within the Alliance Ministers thereafter reviewed the work accomplished since their previous meeting on 28th May 1969, and gave directions for future work

9. They agreed that the effectiveness of NATO's defensive posture continues to be an essential stabilising factor in support of the search for meaningful *détente* Therefore, until agreement can be reached on East-West mutual force reduction, balanced in scope and timing so to maintain the present degree of security, NATO will continue to ensure that there is no reduction in its overall military capability

10 In reviewing force plans for 1970, Ministers were conscious of the necessity to maintain adequate and readily available forces both conventional and nuclear, in accordance with the NATO strategy, for the defence of the mainland of Europe and the whole of the NATO area They took note of the positive outcome of consultations with the Canadian authorities, concerning their forces for NATO, which were initiated following the Defence Planning Committee meeting of 28th May 1969 [see 20 6 69 p. 346]. Ministers committed forces for the year 1970 and endorsed a number of remedial

measures necessary to maintain adequate forces in central Europe. In addition further remedial measures are under consideration.

11. They discussed measures required to implement the NATO strategy of forward defence based on flexibility in response, and arrangements for the reinforcement, in times of tension, of NATO's ready forces. They also noted a preliminary report on a comprehensive study which is being undertaken of the relative capabilities of the forces of NATO and the Warsaw Pact and gave instructions for the continuance of the study. In addition, Ministers reviewed the status of other defence planning studies including those for improved defence of the flanks.

12. The ministerial meeting also provided the Defence Ministers comprising the Nuclear Defence Affairs Committee (Belgium, Canada, Denmark, Germany, Greece, Italy, Netherlands, Norway, Portugal, Turkey, the United Kingdom and the United States) with the occasion to review work in progress in the Nuclear Planning Group during the past year and planned for the future. The Nuclear Defence Affairs Committee agreed that Canada, Germany, Italy, Netherlands, Norway, Turkey, the United Kingdom and the United States will compose the Nuclear Planning Group starting 1st January 1970.

13. Acting on the recommendation of the Nuclear Defence Affairs Committee the Defence Planning Committee adopted two policy documents originated by the Nuclear Planning Group at their meeting in the United States last November concerning general guidelines for nuclear consultation procedures and for the possible tactical use of nuclear weapons in defence of the treaty area. These documents are based upon NATO's strategy of flexibility in response which was adopted in December 1967 and which remains unchanged.

14. The next ministerial meeting of the Defence Planning Committee will take place in the spring of 1970.

15. The spring ministerial meeting of the Council will be held in Italy on 26th and 27th May 1970.

Increased Contributions

Among the remedial measures to maintain adequate forces in cent[ral] Europe after the reduction of the Canadian commitment [see 21.11.69 p. 103] were measures designed to increase the effectiveness of the British contribution. At the request of the Supreme Allied Commander, Britain will keep her *Canberr[a]* aircraft in Europe until the end of 1971, a year longer than originally planned; of the 42 *Canberras* involved, 30 are strike aircraft and 12 reconnaissance. An additional squadron of *Lightning* aircraft will be earmarked for NATO, availab[le] in the event of a crisis. Britain will also provide a signals troop at Northe[rn] Army Group headquarters to replace the Canadian troop which is being wi[th]drawn. Britain is to take immediate measures for the protection of her NATO airfields; shelters will be built to protect aircraft, *Phantoms* and *Buccaneers*, [at] two airfields in Germany, while two *Bloodhound* anti-aircraft missile squadr[ons] and two squadrons of light anti-aircraft guns will be deployed to provide ... defence.

It has been indicated in replies by Ministers to parliamentary questions [for] example, see *Hansard*, 3.12.69, written answers, cols. 30[?]) that the possibili[ty of] the return of Six Brigade to Germany is under consideration; it is understood [that] the decision would relate to the negotiation of a future offset agreement [see] 15.8.69 p. 699], a matter of continuing discussion.

It has also been reported that the Government of the Federal Repu[blic] of Germany is considering certain measures to increase its contributions [to] NATO.

On his arrival in Brussels on 2nd December, Mr. Rogers, United States Secretary of State, had said that the United States' commitment to the Alliance was undiminished. ' My Government,' he said, ' plans to continue to maintain substantial forces in Europe and the Mediterranean. We intend to do so because a sound defensive posture is indispensable for the Alliance, as we move from an era of confrontation into an era of negotiation.'

Speaking on 3rd December, at a news conference, on the approval of the Nuclear Planning Group's proposals for the tactical use of nuclear weapons, the NATO Secretary-General, Signor Manlio Brosio, pointed out that the proposals were within the framework of NATO's strategy of flexible response ' which retains its full value ', and that, ' the guidelines do not contemplate in any way a hypothesis of the offensive use of tactical nuclear weapons On the contrary, they are specifically intended to discipline their defensive use Aggressive use of any weapon, either conventional or nuclear, remains out of the question for our Alliance '

Declaration

The following is the text of the declaration attached to the communique

1 Meeting at Brussels on 4th and 5th December 1969, the Ministers of the North Atlantic Alliance reaffirmed the commitment of their nations to pursue effective policies directed towards a greater relaxation of tensions in their continuing search for a just and durable peace

2 Peace and security in Europe must rest upon universal respect for the principles of sovereign equality, political independence and the territorial integrity of each European State, the right of its peoples to shape their own destinies, the peaceful settlement of disputes, non intervention in the internal affairs of any State by any other State, whatever their political or social system and the renunciation of the use of the threat of force against any State Past experience has shown that there is, as yet, no common interpretation of these principles The fundamental problems in Europe can be solved only on the basis of these principles and any real and lasting improvement of East West relations presupposes respect for them without any conditions or reservations.

3. At their meeting in Washington in April 1969, Ministers had expressed the intention of their governments to explore with the Soviet Union and the other countries of Eastern Europe which concrete issues best lend themselves to fruitful negotiation and an early resolution To this end, the Council has been engaged in a detailed study of various issues for exploration and possible negotiation Ministers recognised that procedure merited closer examination and, accordingly, requested the Council in permanent session to report to the next ministerial meeting

4 Ministers considered that, in an era of negotiation, it should be possible, by means of discussion of specific and well defined subjects, progressively to reduce tensions This would in itself facilitate discussion of the more fundamental questions

Arms Control and Disarmament

5. Ministers again expressed the interest of the Alliance in arms control and disarmament and recalled the Declaration on Mutual and Balanced Force Reductions adopted at Reykjavik in 1968 and reaffirmed in Washington in 1969 The members of the Alliance have noted that up to now this suggestion has led to no result The allies, nevertheless, have continued, and will continue, their studies in order to prepare a realistic basis for active exploration at an early date and thereby establish whether it would serve as a starting point for fruitful negotiations They requested that a report

of the Council in permanent session on the preparation of models for mutual and balanced force reductions be submitted as soon as possible.

6. Ministers of countries participating in NATO's integrated defence programme consider that the studies on mutual and balanced force reductions have progressed sufficiently to permit the establishment of certain criteria which, in their view, such reductions should meet. Significant reductions under adequate verification and control would be envisaged under any agreement on mutual and balanced force reductions, which should also be consistent with the vital security interests of all parties this would be another concrete step in advancing 'along the road of ending the arms race and of general and complete disarmament, including nuclear disarmament'

7. The Ministers directed that further studies should be given to measures which could accompany or follow agreement on mutual and balanced force reductions Such measures could include advance notification of military movements and manoeuvres, exchange of observers at military manoeuvres and possibly the establishment of observation posts Examination of the techniques and methods of inspection should also be further developed

Germany and Berlin

8 The Ministers welcome the efforts of the Governments of the United States, Great Britain and France, in the framework of their special responsibility for Berlin and Germany as a whole, to gain the co-operation of the Soviet Union in improving the situation with respect to Berlin and free access to the city The elimination of difficulties created in the past with respect to Berlin especially with regard to access would increase the prospects for serious discussions on the other concrete issues which continue to divide East and West Furthermore Berlin could play a constructive role in the expansion of East-West economic relations if the city's trade with the East could be facilitated

9 A just and lasting peace settlement for Germany must be based on the free decision of the German people and on the interests of European security The Ministers are convinced that, pending such a settlement, the proposals of the Federal Republic for a *modus vivendi* between the two parts of Germany and for a bilateral exchange of declarations on the non use of force or the threat of force would, if they receive a positive response, substantially facilitate co-operation between East and West on other problems They consider that these efforts by the Federal Republic represent constructive steps toward relaxation of tension in Europe and express the hope that the Governments will therefore take them into account in forming their own attitude toward the German question

10 The Ministers would regard concrete progress in both these fields as an important contribution to peace in Europe They are bound to attach great weight to the responses to these proposals in evaluating the prospects for negotiations looking toward improved relations and co-operation in Europe

Economic, Technical and Cultural Exchanges

11 Allied Governments consider that not only economic and technical but also cultural exchanges between interested countries can bring mutual benefit and understanding. In these fields more could be achieved by freer movement of people, ideas and information between the countries of the East and West

12. The benefit of the Alliance work in the field of human environment would be enhanced if it were to become the basis of broader co-operation This could, and should, be an early objective, being one in which the Warsaw Pact Governments have indicated an interest. Further co-operation could also be undertaken, for example, in the

specialised field of oceanography. More intensive efforts in such fields should be pursued either bilaterally, multilaterally or in the framework of existing international bodies comprising interested countries.

Perspectives for Negotiations

13. The Ministers considered that the concrete issues concerning European security and co-operation mentioned in this declaration are subjects lending themselves to possible discussions or negotiations with the Soviet Union and the other countries of Eastern Europe. The allied Governments will continue and intensify their contacts, discussions or negotiations through all appropriate channels, bilateral or multilateral, believing that progress is most likely to be achieved by choosing in each instance the means most suitable for the subject. Ministers therefore expressed their support for bilateral initiatives undertaken by the German Federal Government with the Soviet Union and other countries of Eastern Europe, looking toward agreements on the renunciation of force and the threat of force. Ministers expressed the hope that existing contacts will be developed so as to enable all countries concerned to participate in discussions and negotiations on substantial problems of co-operation and security in Europe with real prospects of success.

14. The members of the Alliance remain receptive to signs of willingness on the part of the Soviet Union and other Eastern European countries to discuss measures to reduce tension and promote co-operation in Europe and to take constructive actions to this end. They have noted in this connection references made by these countries to the possibility of holding an early conference on European security. Ministers agreed that careful advance preparation and prospects of concrete results would in any case be essential. Ministers consider that, as part of a comprehensive approach, progress in the bilateral and multilateral discussions and negotiations which have already begun, or could begin shortly, and would relate to fundamental problems of European security, would make a major contribution to improving the political atmosphere in Europe. Progress in these discussions and negotiations would help to ensure the success of any eventual conference in which, of course, the North American members of the Alliance would participate, to discuss and negotiate substantial problems of co-operation and security in Europe.

15. The Ministers affirmed that, in considering all constructive possibilities including a general conference or conferences, they will wish to assure that any such meeting should not serve to ratify the present division of Europe and should be the result of a common effort among all interested countries to tackle the problems which separate them.

The declaration thus emphasised the continuing positive attitude of the NATO countries to the prospects for East-West relations. An indication of the Eastern bloc approach had been given in the Prague declaration [see 21.11.69 p. 1036], where the renunciation of the use of force and the extension of trade, scientific and technical relations were suggested as suitable topics for negotiation by an 'All-European Conference'. Mr Stewart, Secretary of State for Foreign and Commonwealth Affairs, pointed out, at a press conference in London on 5th December, that these proposals are rather limited and insubstantial, and that negotiations on European security should have real and concrete issues to deal with, such as the negotiations on balanced force reductions offered by NATO. The NATO Ministers have indicated that a European security conference would clearly need careful preparation, and, of course, would require the participation of the North American members of NATO.

The declaration also points out that, in the meantime, a positive response to such existing Western proposals as that of the Federal Republic for a bilateral exchange of declarations on the non-use or the threat of force, and the efforts of the British, French and United States Governments to gain the co-operation of the Soviet Union in improving the situation in Berlin,[1] would improve the political atmosphere in Europe and facilitate progress towards the solution of other problems.

Commenting on the meeting and the declaration, and pointing out the serious consideration being given by the NATO countries to measures which could contribute to a further relaxation of tension, Mr. Stewart said in a press statement in Brussels on 5th December. 'It will be seen from this that no member of NATO, and certainly not the United Kingdom, rejects the idea of a conference at an appropriate time and with an appropriate agenda and participation. No member of NATO is ready at this time to contemplate a conference on the basis solely of the Prague proposals which do not deal with the fundamental security problems of Europe. But we all shared, at this meeting, a common desire to achieve a real relaxation of tension if that should prove possible. The task now is to see how we can do this, and we in the United Kingdom will play our full part in carrying forward the work in NATO.'

WARSAW PACT MEETING AND COMMUNIQUÉ

On the 3rd and 4th December, Soviet and East European party and government leaders met in Moscow, to discuss, it was reported, the policy of the new Government of the Federal Republic of Germany towards Eastern Europe [see 5.12.69 p. 1070] and their response to it, and to review the prospects for a European security conference.

Communiqué

The communique recorded that the participants "have reaffirmed their opinion that the interests of peace and security demand that all States establish equitable relations with the German Democratic Republic on the basis of international law, and recognise the existing European frontiers, including the border along the Oder and Neisse, as final and immutable.

"It was stated during the exchange of views on topical international questions that the election results in the Federal Republic of Germany and the formation of the ne[w] Government were an expression of changes taking place among a part of the We[st] German public and of the growth among it of tendencies directed towards a realist[ic] policy of co-operation and mutual understanding among States. The signing by [the] Federal Republic of Germany of the Nuclear Non-Proliferation Treaty [see 19.1[2.69] p. 1095] should be noted as a positive factor. At the same time, those who took p[art] in the meeting expressed the unanimous view that the increasing dangerous manifesta[tions] of revanchism and the activation of neo-Nazi forces in the Federal Republic [of] Germany must be kept constantly in mind and sober vigilance must be constan[tly] maintained with regard to them.

"If the new West German Government draws lessons from history, rids itself [of] the ballast of the past and, acting with the spirit of the times, displays a realistic appro[ach] to problems creating tension in the relations between European States, this would [be] welcomed both by socialist countries and by all the peace-loving countries."

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[1] On 16th September the British, French and United States ambassadors in Moscow presented identi[cal] Notes to the Soviet Government proposing four-Power talks at an early date to improve the situa[tion] with regard to Berlin.

DISCUSSIONS BETWEEN USSR AND FEDERAL REPUBLIC OF GERMANY

Beginning on 8th December, a number of meetings have been held between Herr Helmut Allardt, the Ambassador of the Federal Republic of Germany to the Soviet Union, and Mr. Andrei Gromyko, the Soviet Foreign Minister, to discuss negotiations for an agreement on the mutual renunciation of force, first suggested by the Federal Government in its 'Peace Note' of 25th March 1966 [see 29.4.66 p. 477] and the subject of a number of Notes and memoranda exchanged by the two Governments since that date. It was reported that the atmosphere at the meetings has been good, and the discussions productive.

On 22nd December the Polish Government accepted the offer of the Federal Government for talks between the two Governments, made in a Note on 24th November. Speaking in the Polish parliament Mr Cyrankiewicz, the Prime Minister, said of such talks: 'Recognition by the German Federal Republic of Poland's western frontier on the Oder and Neisse as final and inviolable constitutes the starting point for opening the process of normalisation of relations between the German Federal Republic and Poland.'

There has also been an exchange of letters between Herr Ulbricht, Chairman of the State Council of the East German authorities, and Herr Heinemann, President of the Federal Republic of Germany, on the topic of negotiations. Herr Ulbricht's letter was accompanied by a draft 'Treaty on the opening of relations of equal rights between the German Democratic Republic and the German Federal Republic.' (See Warsaw Pact statement p. 60 and the policy statement by the Federal Chancellor, Herr Brandt, 5.11.69 p. 1071.) Herr Heinemann's letter welcomed Herr Ulbricht's expression of 'readiness to enter into negotiations', and agreed with him that they both had a great responsibility for easing tension in Europe and to work for co-operation.

Council of Europe

WITHDRAWAL OF GREECE

The Ministers for Foreign Affairs, or their representatives, of the eighteen member-states of the Council of Europe met in Paris on 12th December 1969 for the forty-fifth session of the Committee of Ministers. Mr George Thomson, Chancellor of the Duchy of Lancaster, was the British Minister present. The discussion centred mainly on the situation in Greece.

The communiqué issued after the session stated that the committee, which had before it Recommendations 547 and 569 (on the situation in Greece and juridical developments there) and a proposal for the suspension of Greece sponsored by 11 delegations (including the British), discussed the situation in Greece and heard a statement by Mr Pipinelis, the Greek Minister for Foreign Affairs. Following the discussion, the representative of Greece informed the committee that his country was withdrawing from the council, under the terms of Article 7[1] of the statute. The Committee of Ministers then adopted a resolution, by a unanimous vote of the delegations casting a vote (the Foreign Minister of Cyprus did not take part in the vote). The resolution noted the view of the Committee of Ministers that Greece had seriously violated Article 3[2]

1 'Any member of the Council of Europe may withdraw by formally notifying the Secretary General of its intention to do so.'

2 'Every member of the Council of Europe must accept the principles of the rule of law and of the enjoyment by all persons within its jurisdiction of human rights and fundamental freedoms.'

of the Statute of the Council of Europe; expressed the committee's understanding that the Greek Government would abstain from any further participation in the activities of the council; and expressed the hope of an early return in Greece of conditions which would enable the country to resume full membership of the Council of Europe. The permanent representative of Greece presented the Secretary-General with two *Notes Verbales*, giving notice of Greece's termination of the Statute of the Council of Europe and the European Convention on Human Rights.

Mr. Thomson's Statement

Mr. Thomson made a statement in the House of Commons on 16th December, on the position Britain had taken during the committee session. 'At the Paris meeting,' he said, 'the Greek Foreign Minister sought to convince the Committee of Ministers that the measures his Government had in hand qualified them for continued membership of the council. But it was our view and that of most other delegations, that the programme offered by Mr. Pipinelis fell well short of the requirements of the Statute of the Council of Europe. A draft resolution for the suspension of Greece was circulated early in the meeting. The United Kingdom was one of the nine co-sponsors, who were later joined by two others. Several Ministers, including myself, made speeches in support of this draft. It was after hearing these speeches and seeing the weight of opinion in favour of suspension that Mr. Pipinelis announced the decision of the Greek Government to withdraw from the council.' (*Hansard*, col. 1137.)

Overseas Travel

REMOVAL OF CURRENCY RESTRICTIONS

On 1st January the Treasury announced the removal of restrictions on expenditure by United Kingdom residents on all forms of travel outside the sterling area (excluding Rhodesia) The restrictions, which were introduced in November 1966 to help Britain's foreign exchange position, limited spending by British tourists abroad to an annual £50 per person plus £15 in sterling, and by businessmen abroad to £20 per day The new regulations abolish nearly all restrictions, although certain formalities will be maintained for the purpose of preventing the unauthorised export of capital. Following the Treasury announcement United Kingdom residents are able to obtain up to £300 in foreign currency on demand for each overseas journey plus £25 in sterling notes. Businessmen may also obtain £300 in foreign currency plus an allowance of £40 sterling per day within a maximum of £2,000 For amounts above the new limits application must be made to the Bank of England The amount which a private individual may make as a cash gift overseas has also been increased from £50 to £300

Despite the increase in the amount of foreign currency which residents may take overseas, there has been no alteration in the purposes for which it may be used It remains illegal for foreign exchange obtained for travel purposes to be used for making payments in connection with the acquisition of stocks and shares, land, houses, flats life assurance or other capital expenditure

The Chancellor of the Exchequer stated in October 1969 that he was not prepared at that time to increase the travel allowance of £50 then in force, but would be prepared to abolish the restrictions when he received evidence that the improvement in the balance of payments position was not purely temporary The Treasury announcement states that such evidence has been provided by a sustained run of good trade results (see below) and progress with debt repayments, and that it was the Chancellor's view that the restrictions on travel expenditure 'both because they limit freedom of individual movement, and because they are rightly treated as wholly exceptional under international agreements, should not be operated any longer than exceptional circumstances demand'

Britain's Export Trade

NEW YEAR MESSAGE TO EXPORTERS

In a New Year message the President of the Board of Trade, Mr. Roy Mason, congratulated those British exporters responsible for the sharp upturn in Britain's overseas trade in the closing months of 1969. He stated that exports in that period were running at a rate 46 per cent higher in value than in 1967, with particular success in highly competitive industrial markets such as the United States (where export sales had increased by 54 per cent) and the European

Economic Community (50 per cent). In addition, he revealed that Britain had achieved a record surplus of £463 million (seasonally adjusted) on invisible trade in the first nine months of 1969.

Mr. Mason stated that Britain had had a greater share in the overall expansion of world trade than in the past and, in order to maintain this position during the expected slow-down in the growth of world trade during 1970, the Board of Trade was to improve even further its export promotion work both in the regions and at headquarters. Furthermore, the board would be introducing a new export intelligence service, tailor-made to the requirements of individual firms. 'It remains true that the best opportunities for expansion remain in overseas markets,' said Mr. Mason, who added that his job was to concentrate on the interests of exporters by keeping in close touch with them.

Visits by the President of the Board of Trade to British exporters in several countries overseas, including Thailand, the Philippines, Singapore, Malaysia, Rumania, Canada, the United States and Europe, are scheduled for the early part of 1970.

Economic Assessment to 1972

REPORTS OF ECONOMIC DEVELOPMENT COUNCILS

A series of reports dealing with the implications of the Government's Green Paper *The Task Ahead* (HMSO, 10s 6d), for major industries and economic sectors is to be published from the end of January by the National Economic Development Council (NEDC).

The Green Paper, published by the Department of Economic Affairs [illegible] February 1969 (see 28.3.69 pp. 295-302), outlined the Government's assessment of the likely development of the economy to 1972 and the broad objectives [illegible] its economic policy. It envisaged that the assessment and objectives be reviewed and plans for action developed by consultations with industry on a continuing basis and where necessary by a strengthening of machinery for this purpose. Studies have now been made by 17 of the 21 Economic Development Committees which cover all the main industries as well as the movement of exports [illegible] invisible exports, and their results have now been brought together and discussed by the NEDC prior to their publication.

Among the early reports to be published are expected to be those concerning motor manufacturing, mechanical engineering and machine tools [illegible]

Days Lost through Industrial Disputes

INTERNATIONAL COMPARISON BY ILO

Based on information supplied by the International Labour Office, the [illegible] on p. 65 shows the number of days lost through industrial disputes per [illegible] persons employed in a number of countries, including Britain, in the ten [illegible] 1959-68. The industries covered are mining, manufacturing, construction [illegible] transport. As the definitions used for these statistics vary from country to country, too much significance should not be attached to relatively small differences in the figures.

The figures show that 1968 was a bad year for industrial disputes in [illegible] countries. In all the major industrial countries except Sweden and the Federal Republic of Germany there were more days lost than in 1967.

INTERNATIONAL COMPARISON OF INDUSTRIAL DISPUTES

Days lost per 1,000 workers

	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	Average 5 years 1959-63	Average 5 years 1964-68	Average 10 years 1959-68
Australia	200	380	330	280	300	460	390	350	310	450	298	392	345
Belgium	440	210	60	160	140	250	40	320b	90	230c	202	186	194
Canada	[illegible]	[illegible]	[illegible]	590	[illegible]	560	790	1,570b	1,200b	1,670c	410	1,158	784
Denmark	30	100	3,340	30	40	30	400b	30	20	20	708	100	404
Finland	[illegible]	[illegible]	[illegible]	30	[illegible]	80	20	150	410	250	446	182	314
France	280	100	390	220	770	280	100	240	430	e	352	263f	312g
Federal Republic of Germany h				30	140				30		34	6	20
India	770	770	420	500	240	560	470	890b	1,270	1,080c	540	854	697
Ireland	270	140	[illegible]	320	[illegible]	1,620	1,720b	1,420	520	920	416	1,240	828
Italy	1,020	540	870	2,270	1,150	1,270	540	1,710c	580	930	1,170	1,006	1,088
Japan	520	350	340	300	330	190	360	170	100	160	368	196	282
Netherlands	10	260	10		20	20	30	10		10	60	14	37
New Zealand	90	100	100	250	160	160	50	230	320	310	140	214	177
Norway	80		570	130	360				10	10	228	4	116
Sweden	10	10			10	10		110			6	24	15
Switzerland					50						10		5
United Kingdom	420	240	220	440	140	170	220	180b	220	370	292	232	262
United States j	2,770	750	650	[illegible]	[illegible]	850	860	880	1,430b	1,590	1,106	1,122	1,114

a Including electricity and gas
b Revised figures (due to revisions of the number of days lost ... [illegible])
c Preliminary figures
d Manufacturing only
e Figures not yet available
f Average for 1964-67 only
g Average for 1959-67 only
h Excluding West Berlin
i All industries included
j Beginning 1960 including Alaska and Hawaii. Figures cover ... [illegible] and similar services

Where no figure is given the number of days lost per 1,000 persons employed is nil or negligible

However, the averages show that over the periods 1959-63 and 1964-68, and the period 1959-68 as a whole, the British figures were better than those for all but two of the major industrial countries, Sweden and the Federal Republic of Germany, except in 1964-68 when Japan also did better.

Among those countries which generally lose appreciably fewer days through industrial disputes than Britain, the Federal Republic of Germany and Sweden both again lost only a negligible number of days in 1968.

In the countries which lose about as many days as Britain, Finland was the only one which lost appreciably fewer days in 1968 than in 1967, the figures for New Zealand also showed a slight fall. Japan did not maintain the downward trend of recent years. Britain, Belgium and Australia all suffered considerable increases in days lost, but the British figures were affected by the one-day stoppage in the engineering industry. The figures from France for 1968 are not yet available, but the figures for 1967 show a substantial increase over those for 1966.

In the countries which generally lose considerably more days through industrial disputes than Britain, large increases were recorded in 1968, except in India, where there was a fall. Canada and the United States were particularly seriously affected, having their worst figures for many years. Ireland and Ital also lost a much greater number of days in 1968.

Ports

GOVERNMENT CONTROL TO BE STRENGTHENED

The second reading of the Ports Bill took place in the House of Commons o 18th December (*Hansard*, cols. 1568-1686). The Bill is based on proposa contained in a White Paper issued by the Ministry of Transport in January 196 (see 14.2.69 p. 180).

The main aim of the new legislation is to improve the efficiency of the po by greatly strengthening central planning and control. In particular it provid for the establishment of a new state-owned body, the National Ports Author (NPA), to take over the ownership and control of the major ports of Gre Britain, which handle nearly nine-tenths of British trade and employ 95 per ce of registered dock workers. The Minister of Transport, Mr Mulley, mov the second reading of the Bill described it as "the outcome of several years stu of a complex and important industry and of a wide range of consultation ... t industry has been under close scrutiny since the appointment of the Roch Committee of Inquiry which reported in 1962 (see 9.10.6 p. 870) ... a substantially increased amount is now being spent on its development estimated £50 million in 1969".

The National Ports Authority

The chairman and members of the NPA will be appointed by the Mi of Transport. The new authority will be given the general duty to impr maintain and manage harbours, and to provide cargo handling facilities services. It will take over the ports currently managed by the British Trans Docks Board (a nationalised body set up in 1963) about 20 ports (inclu Southampton, Immingham, Hull, Swansea, Cardiff and Newport), w handled altogether 75 million tons of goods in 1968 and most of the rema ports, handling over 5 million tons of cargo a year, in effect the undertak of the Port of London Authority, the Medway Conservancy Board, the P of Bristol Authority, the Milford Haven Conservancy Board, the M

Docks and Harbour Board, the Manchester Ship Canal Company, the Clyde Port Authority, the Port of Tyne Authority and the Tees and Hartlepools Authority.

Most of these ports are already under some form of public ownership, either through a public trust or other type of public authority; the Port of Bristol, for example, is municipally owned. Manchester, however, is privately owned by a company, though the board has a statutory majority of shareholders appointed by Manchester Corporation.

Port Boards

The day-to-day management of its harbours will be entrusted by the NPA to port boards operating under its control, and brought into being by way of 'devolution schemes' drawn up by the NPA subject to the approval of the Ministry of Transport. Members of these boards will be appointed by the authority, also subject to the Minister's approval.

The authority will retain general responsibility for economic and financial policy, management objectives, deployment of management and investment resources, pricing policies and promotion of training and research.

Finance

The NPA will have financial power and duties similar to those laid down for other nationalised bodies. Financial targets will be set for it by the Government, and it will itself set targets for the individual port boards. The authority's capital borrowings and liabilities are limited to £600 million at any one time, which may be increased to £750 million by Order.

The National Ports Council (an advisory body set up under the 1964 Harbours Act) is to be dissolved and its properties, rights and liabilities vested in the NPA.

Compensation

The question of compensation does not arise in the case of most of the ports to be taken over. However, the Corporation of Bristol will be compensated for the costs of 'severance' of its ports activities from its other undertakings though not for the actual port assets, while the Manchester Ship Canal will be compensated on the basis of the market value of its securities. These two items are estimated to amount together to about £25 million. Compensation for port businesses other than those run by the port authorities is expected eventually to amount to some £50 million.

Port Facilities

The NPA, through its port boards, is to become the principal operator of port facilities and services within its ports, and therefore the principal employer of labour. It will not, however, operate oil jetties or other private wharves which are integrated into some other transport or industrial activity.

The NPA will have a duty, in the first year following the initial vesting date, to apply to the Minister of Transport for vesting orders for all port businesses at its harbours, with certain exceptions as indicated above. A port business, in this context, is defined as one engaged in loading or unloading, lighterage, sorting, weighing and warehousing, or other handling of cargo.

Participation of Labour

Machinery is to be provided for negotiation and consultation between

management and labour, a major aim being the encouragement of participation by employees in management decisions.

Future Harbour Take-over

The NPA will be entitled to apply in future to become the harbour authority for any harbour of any size, if it should think fit. Any scheme to this effect which is put to the Minister of Transport will, however, be open to objections which must be heard at a public inquiry, and would ultimately be subject to special parliamentary procedure.

London Transport

TRANSFER TO GLC

The Transport (London) Act received the Royal Assent on [illegible] July, 19[illegible]. Under its provisions (see 3 I 69 p. 39) the Greater London Council (GLC) replaces the Ministry of Transport as overall planning authority for London's internal transport facilities, i.e. buses and underground trains, highways, traffic and parking. The Act took effect on 1st January, when the GLC assumed control of the central buses and underground railways, formerly the responsibility of the London Transport Board (LTB) (a publicly owned body set up in [illegible] under the 1962 Transport Act). Actual management of these services is performed by the new London Transport Executive, appointed by and responsible to the GLC. On the same date London Transport country services, operating mainly outside the GLC area, and the Green Line services were transferred to London Country Bus Services Ltd., a subsidiary of the National Bus Company (a publicly owned body set up under the [illegible] Transport Act).

Before agreeing to take over responsibility, the GLC asked that London Transport should be enabled to pay its way with sufficient margin to [illegible] a reserve of £2 million in the first year following transfer and [illegible] position thereafter. Accordingly it was provided under the Transport (London) Act 1969 that the Government should write off 50 per cent of the LTB's [illegible] debt. The Government has now agreed to increase the write-off to [illegible] per cent, some £250 million.

Gibraltar

BRITISH AID

Following talks in London between representatives of the Government of Gibraltar and of the British Government, it was announced that Britain [illegible] provide £4 million in financial aid for development in Gibraltar [illegible] technical assistance and a further £100,000 in budgetary aid.

The talks, which lasted from 2nd to 8th December, were held under the chairmanship of Lord Shepherd, Minister of State at the Foreign and Commonwealth Office. The delegation from Gibraltar comprised the Governor, Admiral of the Fleet Sir Varyl Begg, the Chief Minister, Major R. J. Peliza, the M[illegible] for Labour and Social Security, Mr. M. Xiberras, and for Information, Trade and Industries, Major A. J. Gache, and the Financial and Development Secretary, Mr. E. H. Davies. Subjects discussed included the Gibraltar G[illegible]

[illegible]t's development programme for the next three years, Gibraltar's relations with Britain, and Anglo-Spanish relations.

The delegation also had talks with the Foreign and Commonwealth Secretary, Mr Michael Stewart, and the Minister of Overseas Development, Mrs. Judith Hart, and during their visit the Governor and the Chief Minister met the Prime Minister, Mr. Wilson.

The communiqué issued on 8th December at the end of the talks and reproduced in *Hansard* ([HL], 8.12.69, cols. 302-4) announced the willingness of the British Government to provide further budgetary aid to Gibraltar and gave some details of proposed British technical and financial assistance in the realisation of a comprehensive development programme for the three years 1970 to 1973, which has been drawn up with the object of counteracting the economic difficulties resulting from the Spanish restrictions [see 20.6 69 pp. 536-8 and 1.8 69 pp. 650-2] and in the light of the recent report of the manpower survey undertaken by Lord Beeching and Lord Delacourt-Smith [see 30 8.68 p. 820 and 20 6 69 p 538].

Assistance for the Gibraltar Development Programme

The British Government agreed to 'support Gibraltar's proposals for about a further 750 housing units in addition to the current housing programme', and for this purpose Britain is to make available free of charge land at present belonging to the British Ministry of Defence The British Government will also finance the immediate construction of a hostel for temporary immigrant labour.

Discussions took place on the Gibraltar Government's proposal to introduce a system of comprehensive secondary education and the British Government agreed to support this, subject to further details becoming available Money is to be provided for a schools sports centre, for additional medical facilities and for port development The British Government will also assist appropriate schemes for tourist development These will include a number of amenities which will be available for the people of Gibraltar as well

To achieve this development programme the Government of Gibraltar has asked for expert advice in a number of fields and the British Government will make this available under technical assistance arrangements The cost of British support for this programme in the next three years is expected to be about £4 million exclusive of technical assistance

Budgetary Aid

The British Government has agreed to make available £100,000 in budgetary aid to Gibraltar to assist the territory in meeting special expenditure attributable to the consequences of Spanish restrictions This is in addition to a sum of £100,000 previously provided for this purpose

SOCIAL AND CULTURAL AFFAIRS

Race Relations

DEBATE ON 'COLOUR AND CITIZENSHIP' REPORT

In a debate in the House of Lords on 16th December (*Hansard* cols 957-1096) on the report on race relations in Britain, *Colour and Citizenship* [see 15 8 69 p. 721], Lord Shepherd, Minister of State at the Foreign and Commonwealth Office, outlined the action taken by the Government to deal with some of the problems discussed in the report He said he believed that Britain had gained much in the past from immigrant groups and that 'we shall become richer as a consequence of our Commonwealth friends', being a truly multi-racial country would help Britain in the world role of easing tension Lord Shepherd said that he did not believe that race and colour in themselves created tension and difficulties: in the main it was the economic and social disparities that isolated minorities and prevented their assimilation It was not realistic to exaggerate the size of the problem in Britain

Attack on Social Deprivation

Lord Shepherd said that the Government would not disagree with the view expressed in the report that the answer to racial questions lay in a concerted attack on all forms of social deprivation The Government had always taken the view that social problems—for example in housing—were not created by immigrants, who were in themselves all too often the victims of the environment in which they found themselves but the presence of immigrants in a community often illuminated existing social defects and the immigrants were then blamed for having caused the difficulties from which they themselves suffered.

The main social service programmes, said Lord Shepherd already gave priority to areas of special social need and were being reinforced by the urban aid programme [see 3 1 69 p 47, 28 2 69 p 232 and 15 8 69 p 730] which was directed at areas of acute social deprivation In many of those areas immigrants would benefit equally with other members of the community from these measures and it was hoped that some of the current sources of friction and misunderstanding would disappear

Equality of All Citizens

There was an assumption in various parts of the report, said Lord Shepherd that the Government was not fully committed to genuine equality for citizens, irrespective of colour He would refute this most strongly The Government's commitment to the principle of equality had always been clearly stated and was now on the statute book in the Race Relations Act 1968 which made discrimination on the grounds of colour, race or national origin unlawful over a wide range of social activity The Government had also made clear on numerous occasions its belief that legislation needed to be supported in every possible

way by voluntary and administrative action. This principle had been exemplified by the creation of the Community Relations Commission [see 15.8.69 p. 729].

Employment

Lord Shepherd said that the three areas of government activity which had most relevance to the presence of a coloured minority of British citizens were employment, housing and education In the field of labour, the Government considered that everyone should be free to seek employment for which he or she was qualified, irrespective of race and colour The Government agreed with the view expressed by *Colour and Citizenship* and by the report of the Select Committee on Race Relations and Immigration on *Problems of Coloured School Leavers* [see 10 10 69 p 916] that affirmative action to provide opportunities for all, regardless of colour, was likely in the long term to be more effective than simply taking action as the occasion arose to deal with individual complaints of discrimination There should be equal opportunity in recruitment, and coloured workers might need an induction course and subsequent training to equip them for more skilled or responsible work The Government had already taken action on a recommendation of the Select Committee relating to Industrial Training Board[1] grants to employers for making arrangements for non-English speaking workers to learn English The Department of Employment and Productivity had written to all Industrial Training Boards inviting those that did not already do so to consider paying grants to employers who released immigrant staff for, or provided, courses in the English language Industrial Training Boards had also been asked to pay special attention to the particular training needs of immigrants

Lord Shepherd said that the employment services of the department were subject to a major review, and recommendations of the report *Colour and Citizenship* would be taken into consideration

Housing

The Government's policy on housing in a multi-racial society, said Lord Shepherd, was set out in 1965 in the White Paper *Immigration from the Commonwealth*, which said that ' the sole test for action in the housing field is the quality and nature of housing need without distinction based on the origin of those in need '. Coupled with the protection afforded by the Race Relations Act this provision put coloured people in need of accommodation on the same footing as the rest of the population The serious problem of housing in the older parts of the towns and conurbations of Britain must be tackled equitably, said Lord Shepherd The report of a sub-committee of the Central Housing Advisory Committee, which was set up in February 1968 under the chairmanship of Professor Cullingworth to review the practice of housing authorities in allocating tenancies and in rehousing and to suggest rules or principles which should be followed, was published in December 1969 This contained a chapter on housing coloured people, and the Government intended to have early discussions with local authority interests on its conclusions and recommendations.

The purpose of the Housing Act 1969 [see 10 5 68 p. 493], continued Lord Shepherd, was to get much more done to improve houses which could be improved and to clear away slums A duty was now placed on local housing authorities to review housing conditions in their districts with a view to dealing with unsatisfactory conditions in older houses. Local authorities also had new powers under the Act to make schemes for controlling the spread of multiple occupation.

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[1] Industrial Training Boards are responsible for industrial training in the particular industries with which they are concerned Each board provides its own training courses or arranges for other organisations to provide training

Referring to the question of rents, Lord Shepherd said that the r[illegible] *Colour and Citizenship* alleged that the rent regulation machinery had [illegible] to assist the under-privileged. But figures showed that in the first three [illegible] of the rent regulation service rents of dwellings in the lower bands of the rat[illegible] value scale had decreased and, on average, the lower the rateable valu[illegible] greater the decrease proportionate to the previous rent. Lord Shepherd [illegible] however, that the Government did not consider that the rent regulation sy[illegible] was perfect, and a committee had been appointed to look into the oper[illegible] of the rent regulation system [see 10.10.69 p. 916]. The Government [illegible] pursuing a progressive policy in housing which would reduce the diffic[illegible] faced by those seeking accommodation, and immigrants would share [illegible] benefits of this policy on the same terms as the rest of the country.

Lord Shepherd concluded his speech by saying that the publicatio[illegible] *Colour and Citizenship* was a landmark in the history of race relations in Bri[illegible] The Government had enacted comprehensive legislation outlawing [illegible] discrimination and had created the Race Relations Board and the Commun[illegible] Relations Commission which provided the administrative framework [illegible] working out policies. Up to the present the Government had been conce[illegible] primarily with social problems associated with newly arrived immigr[illegible] But there would be a greater challenge to face: to ensure that prejudices [illegible] had been shown in relation to immigrants were not carried over to their chi[illegible] and that these children were accepted as full members of the communit[illegible] exactly the same terms as others. It was a great disservice to Britain [illegible] forward the view that people born in Britain with coloured skins were des[illegible] for ever to be alien and to speak of "the wedges"[1] in the centres of towns [illegible] cities.

Education

Speaking at the conclusion of the debate, Baroness Serota, M[illegible] State in the Department of Health and Soc[illegible] Secur[illegible] sum[illegible] [illegible] the developments in the field of [illegible] She re-emphasised that the urban aid programme [illegible] catered for the community as a whole [illegible] would benefit with other citizens. The first phase of the programme [illegible] on the provision of day nurseries, nursery [illegible] second phase was now extending the range of [illegible] By 1972 a programme of £20 million [illegible] would have been carried out. Approv[illegible] classes providing 10,000 places for the under five[illegible] of government policy had been to concentrate [illegible] in order to prevent social deprivation. The urban [illegible] in conjunction with [illegible] £16 million spent [illegible] educational priority areas established [illegible] Report [see 20 [illegible] 67 p. 10[illegible]] In addition [illegible] voluntary playgroups [illegible]

The direct responsibility for meeting the needs of [illegible] the schools lay with the local authorities, said Lady Serota, [illegible] Department of Education and Science had been to give [illegible] available extra resources by providing buildings [illegible] curriculum development and research, by collecting and disseminating [illegible] on which policies were based, and by encouraging new approaches [illegible] training with immigrant needs in mind.

Lady Serota referred to the need mentioned during the debate to [illegible] the transition between school and work. The Government welcomed [illegible] of the Select Committee on Race Relations and Immigration on the [illegible]

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[1] A term used by Mr [illegible] Member of Parliament for Wolverhampton [illegible]

coloured school-leavers, she said, and hoped shortly to publish a White Paper containing their comments on the committee's recommendations.

Lady Serota concluded by saying that the debate had enabled many members of the House of Lords to demonstrate their tolerance and concern that society should provide for all citizens, regardless of colour, creed or race. She quoted a principal recommendation of the report *Colour and Citizenship*—that those who are in a position of authority and who are leaders of public opinion should take heart at the extent of the support for tolerant attitudes which could be found throughout the country, provided that they themselves spoke out for such attitudes.

European Conservation Year 1970

INAUGURATION IN BRITAIN

The purposes of European Conservation Year 1970 were outlined at a press conference in London on 9th December by Mr Robert Boote, chairman of the Council of Europe's Conservation Committee and secretary of the British standing committee of 'The Countryside in 1970' organisation. Twenty-five countries, many international organisations and 'a vast number of national organisations' had realised, Mr Boote said, that environment was a top priority problem. European Conservation Year (E C Y) was a means of getting leaders at all levels to agree on policies and measures to manage and improve the environment More importantly, it aimed to get the public actively aware of the great issues at stake, and supporting this awareness with practical work at 'grass-roots' level

Growth of European Interest

In a background paper issued by the EC Y secretariat for Britain in London, the origin of the widespread concern in Britain about conservation was attributed to the effects of the first National Wildlife Exhibition held in 1963 as part of National Nature Week The exhibition portrayed the effects of increasing pressures on the countryside The resulting 'great concern' led, in November 1963, to the first of the conferences on 'The Countryside in 1970,' under the presidency of the Duke of Edinburgh, in which 90 organisations came together Reports on the exhibition and the conference were made to the second meeting of the European Conservation Committee of the Council of Europe later in 1963, which set up a group to study the problems and ways of tackling them. At a second 'Countryside in 1970' conference held in London in November 1965, 170 organisations agreed to the reports and recommendations of a series of working parties that had been set up by the first conference

Meanwhile, growing concern all over Europe about the adverse effect of the environment especially on air, water, coast and countryside—through increasing pressures from population and technology, led the European Conservation Committee to call for a European conservation conference. In 1967 the Committee of Ministers of the Council of Europe agreed to this and to the general concept of what had become designated as European Conservation Year.

A European conference is to be held in Strasbourg in February, culminating in a European declaration.

National Programmes of Events

In Britain the Government has given responsibility for the promotion of events in connection with ECY 1970 to the standing committee of 'The Countryside in 1970'. This, said Lord Hayter, chairman of the standing committee was logical and welcome. 'We are proud to claim that over the last five years and more we in Britain have been the European pacemakers in the field of conservation. No other country has, I believe, achieved the kind of teamwork involving all sections of society that we have under the aegis of 'The Countryside in 1970' organisation. For this we are indebted to the influence and authority of our President (the Duke of Edinburgh). I am particularly proud of the social responsibility of the leaders of our main industries and their increasing practical action to care for the environment.'

Events and activities planned to take place in Britain during the year include the showing of four films made for ECY, two major national competitions (one for all secondary schools, to promote local conservation projects,[1] and Countryside Awards Scheme for the promotion of improvement through local authorities or societies), exhibitions and other events sponsored by industry, special lectures and conferences organised by the major professional bodies concerned with conservation, and activities by the Natural Environment Research Council, the Nature Conservancy, the Institute of Geological Sciences, the Ministry of Agriculture, Fisheries and Food and local authorities. A third 'Countryside in 1970' conference will be held in November; the list of subjects on which reports are in preparation as a basis for discussion includes agriculture and land management, urbanisation, urban growth, refuse disposal, industry, derelict land, youth, ethics, leisure, and professional and technical services. In Northern Ireland ECY will culminate in November when 40,000 trees will be planted by schools and local authorities in Tree Week.[2]

Activities in other countries mentioned by Mr Boote in his speech included a 'Conservation Fleet' in the Netherlands, a state railways exhibition train in the Federal Republic of Germany, a film festival in Italy, a two-day Youth Parliament in Stockholm with the Prime Minister participating with the youth delegates, and, through the co-operation of four Scandinavian countries, 'Operation Beacons', in which in the autumn there will be an ancient Viking warning pyre every 10 miles of 2,000 miles of coastline.

Government Responsibility

On 13th October the Prime Minister announced that the Secretary of State for Local Government and Regional Planning would be responsible for co-ordinating the activities of departments concerned with environmental [illegible]. On 11th December he announced the establishment of a Standing Royal Commission on Environmental Pollution, see 2.1.70 [illegible].

Committee for Voluntary Organisations

The corresponding measures to achieve cohesion among voluntary organisations were announced by Lord Molson and others in a letter to *The Times* published on 11th December. Recording that Britain already had some of the strongest voluntary movements in the world devoted to the conservation of the natural environment and amenity, the letter went on to announce the [illegible]

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[1] The Department of Education and Science has [illegible] organisations concerned [illegible] with which conservation [illegible] and competitions being [illegible] Memorandum No. 16/69, 20.11.69.

[2] The national organisations concerned with information and publicity are (for England) Countryside Commission, [illegible] Cambridge Gate, Regent's Park, London NW1; ECY 1970 [illegible] Scotland, Branklyn House, Dundee Road, Perth; ECY 1970 Committee for Wales, 114 [illegible], Bangor, Caernarvonshire, and (for Northern Ireland), ECY 1970, Ministry of Development, Belfast.

of a Committee for Environmental Conservation (known as CoEnCo), which comprised the principal bodies in the fields of amenity, wildlife, soil, air and water, noise, archeology and architecture, and outdoor recreation. Its purpose was to act as a liaison body and to take action on environmental problems which transcended the terms of reference of more than one society. It would concern itself with the total environment, both urban and rural. Lord Molson, chairman of the Council for the Preservation of Rural England, was the chairman of the new committee.

Speech by the Duke of Edinburgh

The principal problems involved in conservation were pointed out by the Duke of Edinburgh in a speech at a dinner at the Guildhall on 16th December given by the Corporation of the City of London to inaugurate ECY 1970 in Britain. The Duke noted the growing general appreciation of the need to be concerned about the protection of wildlife, the destruction of the countryside, the indiscriminate use of chemicals in agriculture and antibiotic drugs in animal feedingstuffs [see 5 12 69 pp 1074-5], the problem of water resources and the excesses of pollution. The two problems were the need to correct mistakes of the past—'to put right the things which we now know to be wrong and dangerous'—and 'to make certain that we do not make any unnecessary or glaring mistakes in the future'. Conservation of the environment was concerned with a number of inter-related subjects: refuse disposal, pollution, building, industrial development, transport, leisure activities, agriculture, wildlife, water resources, extraction, noise, unsightliness, smell and dirt, all of which had an influence on the quality of existence for all people and could not be dealt with piecemeal. The Duke stressed the importance of achieving effective organisation of the governmental and voluntary bodies concerned with conservation.

Greater London Development Plan

BACKGROUND REPORT

Proposals for a new and more attractive London in the 1980s were presented in a report published by the Greater London Council (GLC) in November. The report, *Tomorrow's London* (published by the council, 25s.), provides a background to the council's Greater London Development Plan, a draft statement of which was published in March 1969 [see 25 4 69 p. 399].

In drawing up the plan the council's main strategy has been to improve the quality of living within the Greater London area, while preserving the position and status of the capital. 'Britain is governed from London', the report states. 'Despite decentralisation and some rather fanciful projects to move the entire apparatus of government somewhere else, we believe that government should remain at the centre. London is also the headquarters of business: commerce, finance, banking, shipping. It houses the head offices of the nation's largest firms in production and distribution.'

But, the report stresses, while London's role as the country's administrative and commercial capital should be preserved, its amenities should be greatly improved. The proposals embrace new shopping centres, a system of urban ringroads, new houses for half a million Londoners, stricter control over the siting of offices and factories, and the development of London's riverside for recreational purposes.

The council is concerned not only with providing better amenities for those who live and work in London, but also for those who visit the capital—and in

particular the foreign visitors who are expected in increasing numbers with the introduction into service of Jumbo-jet aircraft, the future building of the Channel tunnel, and Britain's possible entry into the Common Market. Means of providing many more reasonably priced hotel beds are considered in the report which also expresses the hope that a new and large conference centre, catering for 3,000 to 5,000 people, may eventually be built, perhaps on the site of London's fruit and vegetable market at Covent Garden, which is shortly to move to a new site outside the city centre.[1]

London's Population

Between 1939 and 1969 the population of Greater London declined fro[illegible] 8·6 million to 7·9 million people. Ninety thousand more people leave the capi[illegible] each year than come to settle there, and despite an excess of births over death[illegible] London suffers a net annual loss of population of 40,000.

The report predicts that this outflow will continue, though at a reduc[illegible] rate. The council's planners do not present a fixed population target. 'What [illegible] are doing realistically', they say, 'is to allow for a lower figure than today's [illegible] but without accepting that the outward movement need go on at the sa[illegible] very high rate which it has reached in the last few years. [illegible] The aim is [illegible] to have the largest population in the world: we cheerfully cede this distinct[illegible] to New York, Tokyo or São Paulo. Our aim is to maintain London's place [illegible] the esteem of mankind. We must compare ourselves with our rivals not on [illegible] question of size, but on beauty and amenity. This is why we concentrate on [illegible] beauty of the environment and the smooth functioning of our great city [illegible] on the numbers of its inhabitants. Our task is to create an acceptable environm[illegible] for our people, and allow London to function, and if we cannot do this adequat[illegible] for seven million, we will have to accept an even smaller population.'

The report notes the differences between the densities of resident popul[illegible] in different areas of Greater London. As in other large cities the tendency [illegible] been for the more affluent citizens to move to areas of low density [illegible] the outer suburbs. The less affluent majority have remained within the [illegible] suburbs in areas of high density population.

This situation is, in the council's view, socially undesirable, and it s[illegible] that the rehousing of those living in the worst properties within inner Lon[illegible] should be in the outer suburbs where population density is lower and more [illegible] is available for building.

Within the inner zone the report advocates the development of [illegible] communities'. Among more recent housing developments [illegible] 'there are still villages, dating back to the middle ages, which have prese[illegible] much of their atmosphere, if few of the original structures. [illegible] makes sense to utilise the existing stock of houses, especially if these dw[illegible] are located reasonably close to the centre, and if they form the sort of intim[illegible] small-scale environment which many people prefer to the impersonal [illegible] schemes.'

Wherever possible such areas of local character could become comm[illegible] growth points. 'There are many developers who can see the potentialit[illegible] such districts. There are not only the obvious advantages to our tra[illegible] system if we can house more people nearer their place of work. There [illegible] social advantage in creating a mixed community.'

The report acknowledges that traffic and parking will present pro[illegible] for the development of such communities. But it concludes: 'By strict c[illegible] of land use and the establishment of off-street parking areas to match the ex[illegible]

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[1] Under the Covent Garden Market Act 1966 the Covent Garden Market Authority, [illegible] appointed by the Government in 1961 to operate the market, has been empowered to build a new [illegible] on a site at Nine Elms, Vauxhall, south of the River Thames. Major construction is schedule[illegible] in 1971.

affic, we should be able to ensure that the residential neighbourhoods of inner ondon can once again return to their former peaceful state. If we succeed in s exercise, we shall at the same time accomplish a social aim.'

ployment

The report comments that unemployment has not been a great problem recently for London as a whole. ' But ', it warns, ' London is not a single employment market. It is possible to have temporary pockets of local unemployment in one area . . whilst there is acute labour shortage almost everywhere else. And not all labour is mobile '

It therefore recommends that the GLC should be given full power to control the siting of offices and factories within the London area according to the capital's changing employment needs

Housing

The report recognises that housing is likely to remain a serious problem for London for some time to come ' Nationally ', it states, ' the Government believes that supply and demand may be in balance by the early seventies We cannot be so optimistic in London The Development Plan covers the next 15 years We plan to reduce total population, provide land for nearly half a million new dwellings and have two-thirds of them built by ourselves or the Boroughs. We shall encourage rehabilitation and do a good deal ourselves, discourage under-occupation, and allocate the financial burdens in accordance with need We shall assist private builders and housing associations, and help those who are willing to go to new and expanded towns Thus housing becomes part of the total planning strategy

The council's aim is to provide the necessary dwellings without enlarging too greatly the burden of its own housing expenditure It plans to increase owner occupation by encouraging private building and by offering help with mortgages for those who wish to buy property One method of bringing in new capital, it notes, is for the council to sell its houses to suitable tenants who wish to buy them.

The council is concerned at the shortage of cheap private rented accommodation in London ' Almost everywhere in the world today , the report states, ' the supply of rented housing, for middle and lower income groups seems to be drying up ' and it points to the need to find ways of closing the gap between the purchasing power of the people with average or below average household incomes, and the current market price of dwellings.

A partial solution suggested in the report is a system of fair rents in both the private and public sectors, under which there would be rebates to cover the difference between the market cost of accommodation and the capacity of individual families to pay Such a system of universal housing allowances would be administered by local authorities, but financed by the central government

Transport

A system of orbital motorways– Ringways 1, 2 and 3 is the most notable feature of the council's proposals to ease London's road traffic problems The aim of the system would be to remove much of the heavy, middle- and long-distance traffic from residential streets and shopping centres. There would be access to these ringways from the main radial routes leading to the centre of London.

Other means of improving London's transport, proposed in the report, include parking control and traffic management, minor road improvements to increase safety, and the more rapid introduction of traffic-free shopping areas.

Amenities

London's riverside has great potential for development as a recreati amenity, the report suggests. ' It is perhaps our greatest asset and it needs i care in its future development . The charm of the Thames lies in its meand course, opening up a variety of scenery at every bend We are thinking in t of more housing projects, more green lawns sloping down to the bank, r riverside walks. We have in mind more landing stages for pleasure craft, w variety of attractions to tempt the boat passengers ashore '

The council is fully involved in schemes to put a barrage or barrier ac the Thames in order to make the river tide-free ' If the river ceased to be within the London area ', it states, ' we should have a constant water and the whole concept would be changed ' Water skiing and sailing are recreati pursuits which it suggests may be feasible on the Thames in the future

The council affirms its intention to preserve London's ' green belt area of countryside surrounding the city, in which building is severely restric

Finance

The GLC estimates the total cost of putting its development pla operation as £2,300 million over the next 15 years Of this it thinks that Government might be expected to provide £500 million Nevertheless , report warns, ' we still have to borrow about another £1,800 million, or n than twice as much in the next 15 years as the outstanding debt of the co and its predecessors ' To pay the interest on such a debt would involve a great increase in rates (a form of tax on property levied by local authori

As an alternative means of finding the money to pay for London's deve ment, the council suggests the possibility of a retail sales tax for London ' it feels, could spread the burden of paying over all those who use Lon amenities and not only those who happen to live in the capital

INDEPENDENT INQUIRY

On 9th December 1969 the Secretary of State for Local Government Regional Planning Mr Anthony Crosland announced his intention to ap a committee of inquiry into the Greater London Development Plan wh described as comprehensive complex and controversial (Hansard co The committee was to be headed by an independent chairman and asse an independent planning expert and an independent transport expert The was unlikely to open before the beginning of July 1970

Opera and Ballet

ARTS COUNCIL REPORT

The establishment of three new opera houses in Britain is among the **recommendations** of the report of the Arts Council's Committee o **and Ballet,** *A Report on Opera and Ballet in the United Kingdom* **published** in December 1969 The report describes the historical backgr **both opera and** ballet in Britain, noting that while the origins of both **traced back a long** way it is especially within the last 100 years that th **achieved high standing** Since 1945 Britain has attained a position of pre in world opera, and ballet has become one of the major performing arts

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[1] Published by the Arts Council of Great Britain 105 Piccadilly London W1V OAU pric

The appendix to the report contains much statistical information which has been gathered together for the first time, including a sample survey of the age range and social status of audiences for opera and ballet in London, Leeds and Glasgow.

Demand for Performances

The committee, in its review of the available facilities in Britain, notes the greatly increased demand for opera and ballet since 1945 It suggests that the new, young and intelligent audience now emerging is a result of such influences as changes in educational policy, the more imaginative attitude towards music and the arts, the appointment of music and drama advisers by local authorities and the fact that theatrical experience plays a considerable part in general education In addition, broadcasts by radio and television have greatly increased the potential audience, and as a result those visiting the theatre for the first time expect the highest standards of performance

Regional Opera and Ballet

To cater for the demand in the regions, the report recommends that Scottish opera should have its own opera house The committee found it difficult to determine the relative suitability of Edinburgh and Glasgow as a site for the proposed opera house, and hopes that the two local authorities concerned will agree on the location. The Welsh National Opera Company should have its own opera house, ' presumably at Cardiff ', and another opera house should be built in England, possibly in Manchester, but ' subject to a demonstration of willingness from the area most vitally concerned in terms of cost ' The committee also recommends that when the new English opera house is built and established, it should be the centre of a great festival, to be held at least every two years, to display to the world the type and quality of opera and ballet in which it chooses to specialise. Until the facilities for adequate regional opera are organised, all major opera companies should tour more, which would necessitate the establishment of independent touring units of adaptable size.

The allocation of an Arts Council grant to Glyndebourne Festival Opera, particularly its touring opera, is recommended Founded in 1934, Glyndebourne's principal activity until 1968 was an annual festival of opera, of exceptionally high standard, at Glyndebourne in Sussex Since 1968, however, the Glyndebourne Touring Opera has undertaken regional touring, and this is an operation which, the committee thought, was bound to require considerable subsidies.

The report recommends that the touring commitment of British opera and ballet companies, at present organised by the Dramatic and Lyric Theatres Association, should be replaced by a new Lyric Theatres Board, to establish a nationally co-ordinated touring plan

Opera and Ballet in London

The demand for opera and ballet in London could be satisfied, the committee thought, by the Royal Opera and the Royal Ballet at the Royal Opera House, Covent Garden, by the transfer (in 1968) of Sadlers Wells Opera to the London Coliseum near Trafalgar Square, and performances by other British and occasional foreign visiting companies. It particularly recommends that London should have performances from British and foreign companies throughout the summer for the sake of the many visitors. It notes that the removal of the Covent Garden Market to another site in the early 1970s (see footnote p. 76) will [illegible] a considerable quantity of land adjacent to the Royal Opera House [illegible]ther development The architects of the Royal Opera House have prepared [illegible] for the expansion of the Covent Garden site, which will include a second

and smaller theatre, and the committee supports this proposal as it consider the need for additional outlets for opera and ballet performances to be beyon[illegible] doubt.

The primary requirement for ballet is, in the committee's view, to keep [illegible] vital, while at the same time maintaining the quality and reputation that ha[illegible] been achieved by the Royal Ballet and other British companies. It suggests [illegible] grant of not less than £50,000 a year for the experimental and developing danc[illegible] and dance theatre, as well as a fund of not less than £25,000 a year for th[illegible] development and encouragement of choreography by way of commissions bursaries and other means.

Other Recommendations

Among other recommendations the committee suggests that because [illegible] the importance of the visual impact of productions opera and ballet compani[illegible] should maintain closer liaison with colleges of art. It also proposes the establis[illegible] ment of a joint committee by the Arts Council, the British Broadcasting Corpor[illegible] tion and the Independent Television Authority to keep under constant rev[illegible] the possibilities of broadcasting opera and ballet throughout Britain.

Area Television Stations

BBC'S PLANS FOR ENGLAND

As part of its plans for the reorganisation of broadcasting outside Lon[illegible] the British Broadcasting Corporation (BBC) has announced [illegible] of Area Television Managers in Bristol, Plymouth, Southampton, [illegible] Norwich, Manchester, Leeds and Newcastle. As foreshadowed in *Broadca[illegible] in the Seventies* (see 15 8 69, pp [illegible]-41), these eight areas [illegible] units for local television outside London. The stations in Bri[illegible] and Southampton will launch weekly general programmes in April 1970 similar programmes will be introduced by the other five areas [illegible] the following year. Each will produce daily news bulletins [illegible] and Saturday sports bulletins. When they reach full production [illegible] will be producing between them about 400 general television program[illegible] year, in addition to the daily news magazines [illegible] at present produced by the three [illegible] Midland and South [illegible] West.

Government and Administration

***Local** Government* (Scotland). Debate on the report of the **Royal** Commission on Local Government in Scotland	*Hansard* [HL], 9.12.69 cols 436-520
***Ulster** Defence Regiment Act 1969*. Royal Assent [see **5.12.69** pp. 1062-3].	*Hansard*, 18.12.69 col. 1564
***Probation** and After Care* (F & W). Report of the work of **the department**, 1966-68	Cmnd. 4233 HMSO, 8s 6d
***Local** Government* (Northern Ireland). Appointment of Mr **Patrick** Macrory, executive director of Unilever Ltd., as **chairman** of the local government review body [see 7.11.69 **p. 980**] announced by Mr Brian Faulkner, Minister of **Development** in the Northern Ireland Government	Press release Ulster Office 16.12.69
***Scottish** Law Commission* Fourth annual report, 1968-69. **Scottish** Law Commission No. 13.	HMSO, 2s 3d
***Principles** for Local Government Reform in England* Policy **statement** by the National Executive Committee of the **Labour** Party on the proposals of the Redcliffe-Maud **report** [see 20.6.69 pp. 531-4]	Labour Party, Transport House, Smith Square, London SW1, 1s

External Affairs and Defence

***Anguilla** (Commission)* Sir Hugh Wooding has accepted the **appointment** of chairman of the Commission [see 20.6.69 **p. 538**]. The names of four other members were announced. **The secretariat** will be provided by the Commonwealth **Secretary**-General	*Hansard*, 18.12.69 written answers col. 419

Economic and Scientific Affairs

Anguilla. Information on progress in the current develop**ment programme** [see 11.4.69 p. 332]. The continuation of **the programme** in 1970-71, which is expected to bring total **expenditure** in the two-year period up to £150,000, is now **being** planned	*Hansard*, 17.12.69 written answers col. 345
***Ghana**: British Aid* The Minister of Overseas Development **said that** an agreement was signed in Accra on 17th **December** by which the British Government increased its **current** loan to Ghana by £1·75 million. With the carry-**over of** disbursements from 1968 this brings the total of **British** financial aid to Ghana in 1969-70 to £5·75 million **[see 5.1**2.69 p. 1069].	*Hansard*, 17.12.69 written answers col. 346

Malaysia: British Development Aid. It is proposed to use £1·5 million of the special aid of £25 million offered to Malaysia [see 21.6.68 p. 587] to finance the employment of British consultants on a wide range of projects. Arrangements have recently been made to finance a consultancy study of development potential in an area of West Malaysia, which will cost over £500,000 and will be the largest and most comprehensive study of its kind so far financed from British aid funds. Agreement has also been reached that funds may be used to finance studies by British consultants of projects in both East and West Malaysia, including port design, railway improvement, airport design, road development and water supply.	*Hansard*, 18.12.69 written answers col 378
Gilbert and Ellice Islands (Revenues). The Secretary of State for Foreign and Commonwealth Affairs was asked what percentage of the internal revenues of the Gilbert and Ellice Islands Government was represented by taxation or as charges which are in the nature of taxation from the Ocean Island phosphate industry. In the reply figures were given for the years 1946-68 and they varied from 12.92 per cent in 1947-48 to 57.01 per cent in 1957. The percentage for 1968 was 54.24.	*Hansard*, 19.12.69 written answers cols 441-2
Zambia: World Bank Loan. The Under-Secretary of State for Foreign and Commonwealth Affairs said that the British Government was prepared to take over on behalf of the Zambian Government the repayment of a proportion of the World Bank loan to the Central Africa Power Corporation for the Kariba Dam project, enabling Zambia to negotiate a new loan from the bank for the construction of a new power station on the northern side of the Kariba Dam.	*Hansard* 19.12.69 written answers cols 447-8
Turkey: British Aid. Exchange of Notes concerning an interest-free development loan by Britain to Turkey (United Kingdom/Turkey Loan No. 2 1969).	Cmnd 4231 HMSO 2s
Chile. Agreement between Britain and Chile on co-operation in the peaceful uses of atomic energy.	Cmnd 4239 HMSO 2s
Customs Convention on the Temporary Importation of Scientific Equipment. The convention was signed by the United Kingdom on 30th June 1969 and entered into force for the United Kingdom on 30th September 1969.	Cmnd 4328 HMSO 3s
Coal Prices. First report submitted by the National Board for Prices and Incomes.	Cmnd 4255 HMSO 2s
Electric Motor Prices. Report by the National Board for Prices and Incomes.	Cmnd 4258 HMSO 2s
Household Food Consumption and Expenditure 1967. Annual report of the National Food Survey Committee of the Ministry of Agriculture, Fisheries and Food.	Press release Ministry of Agriculture Fisheries and Food 16.12.69
Management Consultants in Britain	COI, R(SN) 5738 6

cial and Cultural Affairs

w Pension Scheme. In a statement on the publication of National Superannuation and Social Insurance Bill, ch will provide for a new system of earnings-related onal superannuation and social insurance [see 14.2.69 184, 15.8.69 p. 731 and 21.11.69 p. 1044], Mr. David als, Minister of State at the Department of Health and Social Security, said that under the new scheme the National Health Service contribution will be 0 6 per cent of earnings from the employer and 0 3 per cent from the employee. This will mean a total contribution of 7 per cent for employers and not 6¾ per cent as proposed in Cmnd. 3883 [see 14.2.69 pp. 184-9]. At present the employee makes the higher contribution of 3s 2d compared with the employer's contribution of 8d. In many advanced industrial countries, said Mr. Ennals, and particularly in the European Economic Community, the employer pays the larger part of contributions.
Hansard, 17.12.69 cols. 1355-62

Regulations on Games under the Gaming Act 1968. The Home Secretary announced games to be permitted and hours in licensed gaming and bingo clubs when the Gaming Act 1968 comes into force on 1st July 1970 Games to be allowed are: roulette (zero to be permitted in a modified form), craps, blackjack, baccarat, punto banco and chemin de fer.
Hansard, 21.11 69 cols. 381-3

Explanatory Memorandum on the National Superannuation and Social Insurance Bill 1969
Cmnd. 4222 HMSO, 3s

National Superannuation and Social Insurance Bill 1969 Report by the Government Actuary on the financial provisions of the Bill
Cmnd 4223 HMSO, 3s 6d

The British Museum Report of the trustees, 1966-69.
HMSO, 5s

Sample Census 1966 (E & W) Usual residence tables
HMSO, 9s

The Family at Home A Study of Households in Sheffield Ministry of Housing and Local Government, Design Bulletin No 17.
HMSO, 7s 6d

Advisory Committee on Health Service Computers. A committee has been appointed under the chairmanship of Dr. R. A Smith, Principal of Heriot-Watt University, Edinburgh, to advise on the use of computers in the National Health Service in Scotland.
Press release Scottish Home and Health Department 7 1 70

The Voluntary Worker in the Social Services Report of a committee jointly set up by the National Council of Social Service and the National Institute for Social Work Training under the chairmanship of Geraldine M Aves [see 22 7 66 p. 815].
George Allen & Unwin, 40 Museum Street, London WC1, 21s

Voluntary Work in the Welfare State by Mary Morris. A survey of voluntary social work in Britain.
Routledge & Kegan Paul, 68 Carter Lane, London EC4 50s

National Council of Social Service. Fiftieth annual report, 1968-69.
NCSS, 26 Bedford Square, London WC1, 2s 6d

Here to Stay. A study of good practices in the employment of coloured workers. Monty Meth for the Runnymede Trust.	Runnymede Trust, 2 Arundel Street, London WC2 5s
European Conservation Year. Administrative Memorandum No. 16/69 issued by the Department of Education and Science to local education authorities, schools and colleges showing how they can participate in European Conservation Year (see pp. 73-5)	DES, free
Programme of One-Year Courses and One-Term Courses for Qualified Teachers, 1970-71 Teachers' Course List No. 1.	DES, free
Programme of Short Courses, April 1970-March 1971 Teachers' Course List No 2	DES free
Aycliffe to Cumbernauld A study of seven New Towns in their regions by Ray Thomas	PEP 12 Upper Belgrave Street, London SW1 20
ITV 1970 A guide to independent television in Britain	ITA, 70 Brompton Road London SW3 10s 6d
Obscenity Laws Report by the working party set up by a conference convened by the chairman of the Arts Council of Great Britain	Andre Deutsch 105 Great Russe Street London WC1 30s
Tomorrow's London (see pp 75-8)	Greater London Council County Hall, London S 25
Further Education	COI R 4?38 C

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SURVEY

of British and Commonwealth Affairs

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Contents

Volume 4, No. 2, dated 16 1 70, p 60 The first line of the footnote should read: 'On 16th December '

Law and Order

LEGAL ADVICE IN ENGLAND AND WALES

To help people who would benefit by going to a solicitor, but who, at present, do not do so, an extended legal advice service under the legal aid scheme has been recommended in a report[1] issued by the Lord Chancellor's Advisory Committee, which was set up under provisions of the Legal Aid and Advice Act 1949

In its report the committee states that it has recognised for some time that a problem exists and is of the opinion that further widespread programmes of research are needed to find out exactly why those who are entitled to legal advice and assistance do not seek it. In the meantime, since ' matters should not be allowed to continue unchanged until these programmes are completed ', the scheme proposed by the Law Society[2] to enable legal assistance to be given more readily should be adopted ' as soon as possible ', and additional liaison officers to work in conjunction with the Citizens Advice Bureaux should be appointed The committee also suggests that urgent steps should be taken to increase publicity for legal aid and advice schemes through mass media and the training of all social workers and other professional people who are in touch with the home, and that there should be even closer co-operation between the bureaux and local authorities ' in order to explore methods of strengthening the personnel and distribution geographically of this widely appreciated service '.

The £25 Scheme

Under the scheme proposed by the Law Society anyone whose net weekly income after deductions (which would include an element for rent) was £15 or less would be able to get legal advice and assistance by going to a solicitor and filling in a simple form. If the net weekly income of the applicant was £8 or less the solicitor would provide his services free of charge. Applicants with incomes of between £8 and £15 would be required to pay, by instalments or otherwise, a contribution towards the costs Short of actual litigation, which would be dealt with under the existing legal aid procedures, and drawing documents such as wills which would require the prior approval of the area committee, the solicitor would be able to take any necessary action costing up to £25. Prior approval would be necessary if the solicitor's costs were to be over £25.

Under the scheme a solicitor would be able to advise on any aspect of English law. The assistance he would be able to give would include preparing an application for legal aid, writing letters and negotiating on behalf of his clients, obtaining

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[1] *Report of the Advisory Committee on the Better Provision of Legal Advice and Assistance*, Cmnd 4249, January 1970, HMSO, 2s

[2] The Law Society runs the legal aid scheme, under the general guidance of the Lord Chancellor The [illegible] is operated by 13 area committees and a network of local committees composed of barristers and [illegible] (who may be paid a fee), with a salaried staff. The cost is met from the Legal Aid fund, drawn [illegible] sources contributions from assisted people, costs recovered from opposite parties in litigation; [illegible] grant from the Exchequer

the opinion of counsel, and drawing agreements for maintenance. Conveyancing work would be included in the type of assistance that could be given, since the Law Society considered that 'it was highly desirable that poor people taking furnished or unfurnished premises should have the assistance of a solicitor at all stages', and, since a solicitor would be able to incur disbursements, he would be able to travel to a police station or prison to give legal advice on criminal matters as recommended by the Committee on Legal Aid in Criminal Proceedings in their report of 1966 [see 29.4.66 p. 453].

The Law Society also considered that the scheme should extend to some litigants in county courts, where a defendant needed help or representation and a short adjournment of the court was all that was needed for a solicitor to understand the case, a solicitor in court on another matter should be allowed to give legal advice and assistance to a litigant in person, including representing him in the proceedings.

The cost of the scheme, according to Law Society estimates based on 400,000 potential applicants, would be £1,500,000 in the first year, rising in four years to £2,300,000. The committee believes that the scheme could lead to 'appreciable savings' elsewhere and that it might be possible, therefore, to implement it for 'something less than these figures'. But it had no data upon which to form any definite conclusions as to the cost of the scheme.

Advisory Liaison Service

In regard to the appointment of lawyers to act in conjunction with the Citizens Advice Bureaux, the committee refers to the Law Society's proposals that they should be employed as necessary to advise the Citizens Advice Bureaux and other social services on the legal problems that come to them and the means available for solving those problems, to give oral advice to those visiting Citizens Advice Bureaux and similar agencies where only an exposition of the legal position is needed, and to ensure that cases requiring the services of a solicitor are passed promptly to a suitable solicitor, where necessary with a letter of introduction and a note of the problem. They could also act as public relations officers, publicising the scheme to medical and other professions, social workers, trade union officials, social service agencies and people of this kind so as to ensure that the knowledge of the facilities available reached all those who are in need of them.

In the committee's opinion these proposals [illegible] the need in the [illegible] way.' A further 11 such officers should be appointed [illegible] is already in [illegible] as soon as the £25 scheme is in operation.

Defence Research and Development

In December the Government published *Defence Research and Development* (Cmnd. 4236, HMSO, 2s), its observations on the second report from the Select Committee on Science and Technology [see 20 6 69 pp. 548-50]. The observations in general adopt the same headings as the sections on conclusions and recommendations in the select committee's report.

Defence Policy and the Defence R and D Programme

The paper describes the general background to defence policy-making and concludes that the organisation for the formulation and control of research and development (R and D) is satisfactorily and closely co-ordinated with the foreign and defence policy-making structure. The government paper finds impracticable one of the central recommendations of the committee's report —'the concept of an open and conscious process of R and D policy formulation' requiring 'the formulation of a long-term defence model' The interaction between procurement policy and defence policy generally is close and continuous; there is sufficient opportunity for the refinement and review of projects, with adequate participation in the formulation of defence R and D policy by the existing Foreign and Commonwealth Office and Treasury participation in Ministry of Defence Ministry of Technology committees (for example, the Defence and Overseas Policy Committee)

While industry is not involved in the policy formulation process, consultation and collaboration is close, and industry's views are adequately taken into account. 'The recent establishment of the National Defence Industries Council and the Defence Scientific Advisory Council should further improve relations and offer increased scope for consultation and collaboration '

The role of operational analysis in providing objective and critical analysis of policy options, is accepted, but the committee's recommendation that the Defence Operational Analysis Establishment be expanded to fill a wider function, is not accepted. The functions of the Establishment are under continuous review, particularly methods of co-ordinating its work with other parts of the Ministry of Defence and other departments.

Size of R and D Budget: Sharing Resources with Other Countries

The Government agrees with the committee's recognition that the cost of defence is too great for this country to develop all its defence equipment on its own. 'The Government's approach is to maintain that balance between national development, collaborative development and foreign purchase which offers the best value for money, and reconciles economic, industrial and political objectives with defence requirements. With the growing co-ordination of defence policy among the European countries the opportunities for collaboration in equipment procurement should increase.' The Government refers to the committee's view that collaboration increases total cost, but stresses the point that if the alternative is for each country to carry the full cost of development

and yet be assured production to meet only its domestic requirements, it is clearly cheaper to collaborate. The *Jaguar* (Anglo-French light-strike/trainer aircraft) is one example of the economies achieved through collaboration. In these circumstances the pooling of information between countries is essential, without it, ' it is difficult to see how progress can be made with the recommendations, which the Government support, that encouragement should be given to the formation of international industrial companies and combinations '.

On the committee's proposal that collaboration should be in particular areas of defence so that individual projects remain the responsibility of individual nations, instead of collaborating project by project, the Government agrees that this is the ideal arrangement—as in the Anglo-French helicopter package but such collaboration depends on the almost unique circumstances of finding such complementary and phased projects. ' With the Multi-Role Combat Aircraft however not only would it be beyond our resources to embark on developmen alone but there exist no other military projects of comparable size to provide a counterpart. '

The Government agrees with the committee's recommendation tha collaboration with countries such as Australia and Canada should be developed and despite the fact that the problems of distance, differences in scale and natur of industry, and the concentration of Britain's defence policy on Europe produc ing different operational requirements make the opportunities for collaboratio limited, two projects have been successful MALLARD (a trunk communic *tions system, with Australia, Canada and the United States) and IKARA*, anti-submarine missile, with Australia)

Financial Control of Defence R and D

The system for the financial control of defence R and D is consider generally satisfactory, expenditure being under continuous control adjusting and review, while the Treasury's close association with the Defence Resear and Weapons Development Committees (WDC) enables it to deal expeditiou with the financing and monitoring of projects Referring to the committe advocacy of a Commons committee on defence to include supervision of exercise by the WDC of enhanced financial authority the Government obse that the proposal ' raises important constitutional and other issues whic beyond the confines of defence research and development It sh continue to be treated as a separate issue The Government collectively remain responsible for deciding, in the light of all the relevant factors the le of expenditure which it submits for Parliament's approval '

Defence R and D Establishments

The committee made a number of suggestions about the work of the res and development establishments The Government accepts the principle although there are certain types of defence work not attractive to industry execution of projects should be, so far as possible left to industrial contrac The establishments play a more important role in the choice of weapons sys programmes, in the technical evaluation of submissions from industry and for alternatives, in providing the technical expertise for the Government to me and evaluate the quality of work undertaken for it by industry, in the te and evaluation of projects as development proceeds, and in advising indus of government defence requirements

The work of the establishments is kept under regular review, while evolution away from a single-service orientation towards a functional of organisation has progressed satisfactorily, eliminating some previous ove

The committee recommended in its report (paragraph 200) that the should be joint direction of research and development establishments by Gove

ment and industry, to eliminate overlap and facilitate industrial co-operation in defence work. The paper observes: 'It is a major objective of Government policy that a closer partnership be built up with industry in the framing and execution of defence research and development policy and programmes so that decisions can be taken with the best possible advice'. In addition to the creation of the Defence Industries Council and the Defence Scientific Advisory Council, much has already been done in establishing joint advisory bodies, such as the Aeronautical Research Council and the Joint Research Committee (in aviation). The trend is thus towards the greater participation of industry in the formulation of future R and D programmes, but it would not be appropriate for industry to share in the governmental responsibility for taking decisions.

The paper also points out the help the research establishments give to industry 'It is a cardinal feature of policy for the establishments that . the knowledge and expertise which they have should be disseminated widely in British industry, and contract work should be taken from individual firms All the R and D establishments undertake repayment work and give advice to industrial firms ' Industrial Applications Units facilitate this work, while industry is kept well informed of new developments

The paper also makes a number of detailed observations on project control and execution, project management, manpower, and the recently established university defence fellowships

British Council

ANNUAL REPORT FOR 1968-69

The British Council's annual report for 1968-69, published in November (HMSO, 2s 6d), gives a survey of the council's activities both in the United Kingdom and abroad.

English as a World Language

The report is prefaced by a consideration of English as a world language. Spoken by hundreds of millions as a mother tongue, as an official language or as a foreign language, and possessing the advantage of Roman script, English is the language of most computers and of half the world's scientific literature, it is the main language of debate in the United Nations and is increasingly important as a commercial tongue. It is also the principal language of international aid This role of foremost international language is of very real value to Britain, politically, commercially and culturally The report believes that the chief threat to the predominance of English does not stem from any potential rival but from a possible disintegration into separate and mutually incomprehensible languages, just as Latin fragmented into the Romance tongues; it sees already signs of such a process in the development of various forms of pidgin English. Consequently an immense concerted effort is necessary to maintain world standards of English.

The British Council was founded to promote a wider knowledge abroad of Britain and of the English language and to develop cultural relations with other countries, which it does on an annual budget of some £13 million. It co-ordinates British policy concerning the teaching of English as a second or foreign language and plays a leading part in a concerted effort by both official and private bodies. It is helped by its English Teaching Advisory Committee,

VERSEAS VISITORS TO BRITAIN ASSISTED BY THE BRITISH COUNCIL, 1968-69

	British Council Schemes							Commonwealth Educational Co-operation			Agency Schemes			Others	TOTAL
	Scholars	Bursars	Visitors	Courses	Study Tours	Student and Youth Exchanges	University Interchange	Fellows etc.	Scholars	Bursars	British Technical Assistance Schemes	United Nations Fellows	OECD Third Country Trainees		
REGIONAL ANALYSIS															
Commonwealth	[illegible]	146	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	558	1,932	322	—	20	4,277
Middle East and Africa (foreign)	[illegible]	104	145	[illegible]	[illegible]	[illegible]	[illegible]				471	271	—	49	1,440
South East Asia and Far East	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]					248	91	—	39	657
Latin America	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]					228	76	—	44	1,202
Europe (including Soviet Union)	18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]					50	307	45	83	4,946
United States			[illegible]	[illegible]							—	10	—	—	24
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]929	1,077	45	235	12,54
SUBJECT ANALYSIS															
Agriculture	[illegible]	4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]		183	76	13	5	51
Arts and Humanities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	207	38	1	37	2,05
Education	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		167	46	5	44	3,20
Medicine	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]	436	—	52	1,60
Science and Technology	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]		[illegible]	318	5	42	2,64
Social Studies	[illegible]	4	[illegible]	[illegible]							[illegible]	163	21	55	2,52
TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1	[illegible]	[illegible]	[illegible]	[illegible]929	1,077	45	235	12,54

BRITISH COUNCIL SCHEMES … one year. *Bursars*: holders of bursaries for research or training not normally exceedir … months. *Visitors* … representatives, normally for short periods. *Courses*, summer schools for overse … members of … *Study Tours*, tours arranged on request from overseas countries for grou … of experts … certain schemes assisted by the council. *University Interchan* … Scheme, holders of awards …

COMMONWEALTH EDUCATIONAL CO-OPERATION … established … Commonwealth visiting fellowships or awards und … the Indian Centres of Advanced Study … Scholarship Plan for whom the council arran … travel, reception, accommodation … Bursary Scheme for whom the council arranges reception, acco … payments … the awarding agency.

… Berlin Airlift Memorial Fund, Council of Euro … Royal Society USSR Academy of Sciences Fellows.

which includes representatives of the universities, of the British Broadcasting Corporation (BBC), of government departments and publishers. In addition, regular conferences are held with United States bodies to co-ordinate policies and techniques.

Together, the council, the Ministry of Overseas Development (ODM) and the BBC, in both radio and television, do much towards maintaining standards of English; of necessity their work is increasingly complex and has to make full use of every new technique in teaching, and in teacher-training at home and overseas. Book fairs, co-operation between British and Commonwealth universities, the provision of libraries and textbooks, and centres for science, are also important.

The report calls for increased support for research, more grants for visiting overseas teachers, encouragement for writers for whom English is a second language, more exhibitions, libraries, and a larger supply of new teaching and reading materials.

Operations Abroad

Reviewing the work of the council in countries abroad, the report mentions the restoration of its operations in the Middle East and Nigeria, where they had been interrupted by war. Elsewhere there had been normal growth. Reference is made to an agreement on scientific, educational and cultural relations with the Soviet Union negotiated during the year, and to new cultural exchange programmes agreed with Bulgaria and Rumania. The council's agency role is emphasised, an amount equal to half its own budget is spent on behalf of other organisations, notably ODM, to whose training programme the council's organisation at home as well as overseas is particularly well suited.

The report welcomed the recognition by the Duncan Committee on Overseas Representation [see 15.8.69 p. 697] of the importance of the part played by the council in cultural representation overseas.

Overseas Students in Britain

The total number of overseas students in Britain in 1968-69 was about 70,000, of whom 60 per cent came from Commonwealth countries. The council arranged accommodation for over 18,000 students, and also for 736 wives and children of students. Introduction, vacation and weekend courses and study visits were attended by 22,374 students while a record number of 12,546 came for specialist visits, training or study under the council or other official schemes. Of 7,000 who came under council schemes, just over 1,100 were postgraduate scholars and bursars and 1,569 attended specialist courses. A further 1,100 came under Commonwealth Educational Co-operation, and 4,000 under British technical assistance, UN fellowships or other schemes in which the council participates. Though most students still came from Europe and the Commonwealth, the largest group of overseas students in British universities was from the United States. The main subjects of study remained education, social studies, science and technology. Under the Overseas Students Fees Award Scheme, 900 awards were made to cover the full cost of the recipients' fees.

Education Overseas

A total of 796 staff provided by the council helped in ministries of education, in universities, in teacher-training colleges and with adult education, of whom [illegible] were concerned with English language teaching; 40 of the latter were recruited under the Aid for Commonwealth English Scheme and included 5 new posts.

The council also provided 112 British staff for 50 summer schools and course[s] in 18 countries, mainly for teachers of English. 2,631 teachers attended. I[n] addition, the council made administrative arrangements for 156 British tutor[s] to take part in 50 vacation courses financed by the ODM in 23 countrie[s] attended by 2,600 teachers, while there were 84,364 students of English in counc[il] institutes and Anglophil societies assisted by the council.

Television officers were appointed to new posts in Japan, Jordan and th[e] United Arab Republic, the council now has nine such officers overseas concerne[d] mainly with English language teaching programmes for schools. The counc[il] also acted in 40 countries as the overseas arm of three of the four societie[s] engaged in the British volunteer programme, at home it helps with recruitment. The number of volunteers supported in this way increased to 1,174 (abou[t] two-thirds of the total British volunteer programme), most of whom were i[n] teaching posts. As a consequence of close co-operation with ODM an agreemen[t] was signed with the Government of Ethiopia recognising the council as th[e] British Government's agent for administering educational assistance.

Libraries

The council maintains 122 libraries overseas (of which 13 are run [illegible] with British Information Services), 22 of them containing posts for profession[al] librarians. It is also associated with about 80 other libraries. Book issues [illegible] 1968-69 totalled [illegible] million to 300,000 members. In certain countrie[s] the coun[cil] has taken special steps to stimulate the demand for British books [illegible] officer was appointed in India who has visited Pakist[an] [illegible] Nigeri[a] there was an experiment with the circulation of carefully [illegible] English [illegible] text books. With assistance from British publishe[rs] [illegible] book exhibitions we[re] held in 53 countries, including national displays [illegible] book fairs [illegible] Belgrade and Warsaw and an exhibition on behalf of the R[illegible] International Geographical Congress in New Delhi.

Tours and Exchange Visits

There were 730 overseas tours and advisory [illegible] British spec[ialists] including delegates to conferences. [illegible] research workers, senior members of university [illegible] ranged from a week to two months and were concerned [illegible] medicine and agriculture. Among eminent personalities [illegible] Lord James of Rusholme, who lectured in Turkey [illegible] Britain, and Miss Iris Murdoch who lectured [illegible] Kong, Japan and the Lebanon.

The Arts

There were presentations of British ballet [illegible] nearly 50 countries. Among these were the Royal Shakespeare Comp[any] production of "All's Well That Ends Well" in Paris and Max Adrian's [illegible] Shaw recital in Pakistan, Singapore, Thailand and Australia. The [illegible] Orchestra visited Latin America for a two month tour during which S[ir] [illegible] Barbirolli conducted 23 concerts while the council sponsored record[ing of] Roberto Gerhard's Concerto for Orchestra won the prize awarded [by the] Koussevitsky Foundation of the USA for the best work by a living co[mposer] recorded in 1968. At Venice, where the council organised the British se[ction] of the Biennale, Bridget Riley was the first first British artist to win the [illegible] painting prize. Among travelling exhibitions was that in Canada of [illegible] bronzes by Henry Moore

Chronology, October-December 1969

GENERAL

October

13-17 Fifteenth Commonwealth Parliamentary Conference held at Chaguaramas, Trinidad.

17 Publication of *Partners in Development*, the report of the Commission on International Development, under the chairmanship of Mr. Lester Pearson, a former Prime Minister of Canada [see 7.11.69 pp. 1004-7].

November

8-27 Fifteenth Biennial Session of the Conference of the Food and Agriculture Organisation of the United Nations held in Rome. Mrs. Judith Hart, British Minister of Overseas Development, attended the conference from 11th to 13th November.

10-28 Intergovernmental Maritime Consultative Organisation Conference on Oil Pollution Conventions held in Brussels.

11-12 Mr. Robert McNamara, president of the World Bank, visited London.

24-5 Dec. Twelfth Session of the UN Advisory Committee on the Application of Science and Technology held in Addis Ababa.

27 Statement by Minister of Overseas Development on Britain's future programme of expenditure on overseas aid. A debate on this subject took place in the House of Commons on 28th November [see 2.1.70 pp. 30-6].

27-28 Eighth annual high-level meeting of the Development Assistance Committee of the Organisation for Economic Co-operation and Development, in Paris (see pp. 115-18).

December

1 Publication of the study by Sir Robert Jackson on the capacity of the United Nations development system. The study called for a reorganisation of the system which would give the UN Development Programme the *prime responsibility for the operation and co-ordination of the* development programme of the UN and its specialised agencies.

17 Conclusion of the twenty-fourth session of the General Assembly of the United Nations.

31 Announcement of a new procedure for the sale of South African gold to the International Monetary Fund, under which the fund agreed in principle to buy gold from South Africa when the free market price fell to $35 an ounce or below (see pp. 121-2).

EUROPE AND THE WESTERN HEMISPHERE

October

1 Spanish Government closed all public telephonic links between Spain and Gibraltar (these links were re-established briefly at Christmas). Telephonic traffic between Gibraltar and other countries through Madrid was unaffected.

2 European Commission submitted to member governments of European Community its revised *Opinion* on the applications of Britain, Denmark, the Republic of Ireland and Norway for membership of the Communities [see 24.10.69 pp. 927-30].

2-6 Italian President, Signor Antonio Saragat, paid official visit to Yugoslavia at the invitation of President Tito.

3 As a consequence of the general election in the Federal Republic of Germany [see 24.10.69 p. 933], the leader of the Social Democratic Party, Herr Willy Brandt, announced agreement on the formation of a coalition government of the Social Democratic and Free Democratic Parties. Herr Brandt was elected Federal Chancellor by the Bundestag on 21st October [see 5.12.69 p. 1072].

3-4 Sixteenth joint meeting of the European Parliament and the Consultative Assembly of the Council of Europe held in Strasbourg.

6-11 European Parliament met in Strasbourg.

8 Announcement that the World Bank will make a loan of $60 million to Argentina to assist with an electric power project.

9-14 French Foreign Minister, M. Maurice Schumann, visited Moscow for talks with the Soviet Foreign Minister, Mr Gromyko, and other Soviet leaders and to attend a session of the Franco-Soviet 'Grand Commission'.

9-16 French Deputy Foreign Minister, M. Jean de Lipkowski, visited Quebec for talks concerning the 1965 agreements on cultural and educational exchanges between France and the province.

10-18 British Week in Vienna. The Week was opened by Princess Alexandra and attended by Lord Brown, Minister of State at the Board of Trade.

11 Brazil trade centre was opened in London, to facilitate Anglo-Brazilian trade.

12 President Franz Jonas of Austria and President Tito of Yugoslavia opened the jointly-financed 'Friendship Bridge' over the River Mur.

14 Mr. Olof Palme was sworn in as Prime Minister of Sweden in succession to Mr. Tage Erlander, who announced on 26th September that he intended to resign after 23 years in office.

14-18 Soviet President, Mr. Nikolai Podgorny, paid an official visit to Finland where he had talks with the Finnish President, Dr Kekkonen.

15 Mr. Alexander Dubcek, formerly First Secretary of the Czechoslovak Communist Party, resigned his post as President of the Czechoslovak Federal Assembly, and Mr Josef Smrkovsky resigned as President of the People's Chamber. In December it was announced that Mr Dubcek had been appointed Czechoslovak Ambassador in Ankara.

17 Council of Ministers of the European Communities met in Luxembourg [see 7.11.69 p. 999].

Polish Deputy Foreign Minister, Mr Josef Winiewicz, visited London during his homeward journey from New York and had talks with Mr. Evan Luard, Joint Under-Secretary of State at the Foreign and Commonwealth Office.

17-21 Annual meeting of the North Atlantic Assembly in Brussels. British Defence Secretary, Mr. Denis Healey, attended [see 21.11.69 pp. 1031-5].

18 Agreement formally establishing the Caribbean Regional Development Bank signed in Kingston, Jamaica by delegates from Antigua, Barbados, Bahamas, British Honduras, the British Virgin Islands, the Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts,

St. Lucia, St. Vincent, Trinidad, the Turks and Caicos Islands, Canada and Great Britain. Britain has contributed $10 million towards capitalising the bank. Observers attended from the United States, the UN Development Programme, and the Caribbean Free Trade Association secretariat.

20 Talks started in Peking on the Soviet-Chinese border dispute.

20-25 Finnish Prime Minister, Mr. Mauno Koivisto, paid official visit to Bulgaria.

20-3 Nov. The Duke of Edinburgh visited Canada to study the working of the Duke of Edinburgh's award scheme in that country.

21-26 Rumanian Prime Minister, Mr. Ion Maurer and Foreign Minister, Mr. Corneliu Manescu, paid official visit to Brussels.

24 Government of the Federal Republic of Germany announced an upward revaluation of the Deutsche Mark, to take effect from 26th October. Its dollar value was increased by 9·29 per cent [see 7.11.69 p. 1003].

25 Brazilian Congress elected General Emilio Garrastazu Medici President of the Republic in succession to Marshal da Costa e Silva, whose term of office was terminated due to his ill health [see 24.10.69 p 933]. Admiral Augusto Rademaker Grünewald was elected Vice-President.

26 At a general election in Portugal the ruling National Union won all 130 seats in the National Assembly.

26-28 Delegation comprising virtually the entire leadership of the Czechoslovak Communist Party and Government paid an official visit to the Soviet Union at the invitation of the Soviet Government and the CPSU

27 The Eastern Caribbean island of St. Vincent entered into Associated Statehood with Britain

27-28 Ministers of Finance and Agriculture from the countries of the European Communities met in Brussels and reached partial agreement on measures necessary following the upward revaluation of the Deutsche Mark [see 7 11 69 p 1004]

27-30 Dutch Prime Minister, Mr Petrus de Jong, and Foreign Minister, Dr Joseph Luns, paid official visit to Rumania

28-30 Swiss Foreign Minister, Dr Willy Spuhler, visited Yugoslavia for talks with the Foreign Minister, Mr Tepavac.

28-31 Western European Union ministerial meeting in Brussels.

29 Among Cabinet changes announced in Spain was the appointment of Señor Gregorio Lopez Bravo as Foreign Minister in succession to Señor Fernando Castiella y Maiz

30-31 Foreign Ministers of the member states of the Warsaw Pact met in Prague. The Foreign Ministers' meeting was followed by a meeting of military chiefs and Defence Ministers [see 21.11.69 p. 1036-7].

November

3 British Defence Secretary, Mr. Healey, visited Bonn for talks with the Federal Defence Minister, Herr Helmut Schmidt.

French Foreign Minister, M. Schumann, visited Luxembourg.

3-6 The Duke of Edinburgh visited the United States.

3-7 Fourth international conference of the Freedom from Hunger Campaign held in Rome.

3-14 United Nations Population Commission met in Geneva.

4-5 Mr. George Thomson, Chancellor of the Duchy of Lancaster, visited Brussels and attended the NATO Council meeting there on the 5th [see 21.11.69 p. 1036-7].

6-7 Ministerial meeting of the European Free Trade Association held in Geneva, attended by Mr. Thomson and Mr. Roy Mason, President of the Board of Trade.

7 Mr. Elliott Richardson, US Under-Secretary of State, visited London for talks with the Foreign and Commonwealth Secretary, Mr. Stewart

10 Foreign Ministers of the member countries of the European Communities met in Brussels [see 21.11.69 p. 1029].

Governor-General of Guyana, Sir David Rose, died in an accident in London.

11-12 Ministers of Finance and Agriculture of the countries of the European Communities met in Brussels and reached agreement on measures to compensate farmers in the Federal Republic of Germany for the effects of the revaluation of the Deutsche Mark [see 21.11 69 pp 1029-30]

NATO Nuclear Planning Group met in Washington British Defence Secretary attended [see 21.11.69 p 1030].

13-14 British Foreign and Commonwealth Secretary, Mr Stewart, visited Bonn for talks with the Federal Foreign Minister, Herr Walter Scheel

17 Merger of British Petroleum's US subsidiary with Standard Oil (Ohio) approved by the US Department of Justice

17- 22 Dec. Preparatory talks in Helsinki between the United States and the Soviet Union on strategic arms limitation Talks will be resumed in Vienna on 16th April 1970.

18-19 Dr. Lujo Toncic-Sorinj, Secretary-General of the Council of Europe, visited London, in the course of a tour of member countries, for talks with the Foreign and Commonwealth Secretary and other British Ministers

Inter-governmental meeting of the European Space Conference held in Geneva

19 It was announced that Sir Hugh Wooding, former Chief Justice of Trinidad and Tobago, will be chairman of the Commission to determine the future of Anguilla Later, the names of the other members of the commission were announced

Mr. Roy Mason, President of the Board of Trade, visited the Frankfurt Main Trade Fair.

20 Yugoslavia and the People's Republic of China announced their intention to exchange ambassadors Relations had been at Charges d'Affaires level since 1958.

Netherlands Foreign Minister, Dr Joseph Luns, visited London for talks with the Foreign and Commonwealth Secretary

24 United States and the Soviet Union ratified the nuclear non-proliferation treaty [see 19.12.69 p. 1095].

24-26 President of the Federal Republic of Germany, Dr. Gustav Heinemann, paid a state visit to the Netherlands.

24-29 Rumanian Prime Minister, Mr. Maurer, and Foreign Minister, Mr Manescu, paid official visit to Britain at the invitation of the Prime Minister, Mr. Wilson [see 19.12.69 pp. 1106-8].

24- 1 Dec. Danish Foreign Minister, Mr. Poul Hartling, paid official visit to the Soviet Union.

25 Board of management of the *Dragon* high temperature reactor project of the European Nuclear Energy Agency of the OECD announced that the project is to continue for a further period of three years to 31st December 1973 [see 19.12.69 p. 1113].

President Nixon announced United States decisions on chemical and biological warfare [see 19.12.69 p. 1098].

28 Federal Republic of Germany signed the nuclear non-proliferation treaty. Switzerland signed on the previous day [see 19.12.69 p. 1095]

December

1-2 Meeting of Heads of State or Government of the member countries of the European Communities in The Hague to discuss the present position and future development and possible enlargement of the Communities [see 2.1.70 pp. 6-9]

2 Death of Marshal Kliment Voroshilov, former President of the Soviet Union.

2-8 Talks in London between representatives of the British and Gibraltar Governments, ending in agreement on British development and budgetary aid to Gibraltar [see 16.1.70 pp. 68-9]

3-4 Meeting of government and party leaders from the member states of the Warsaw Pact in Moscow [see 16.1.70 p. 60]

3-5 Ministerial meeting of the North Atlantic Council and the NATO Defence Planning Committee held in Brussels. Mr. Stewart, Foreign and Commonwealth Secretary, and Mr. Healey, Defence Secretary, attended [see 16.1.70 pp. 54-60]

4 M. Valery Giscard d'Estaing, French Minister of Economy and Finance, visited London for talks with the Chancellor of the Exchequer, Mr Jenkins

5 General elections held in British Honduras, the second since the country became self-governing in 1964, and won by the ruling United Party

8 Meeting of Council of Ministers of the European Communities in Brussels

Preparatory talks between the Federal Republic of Germany and the Soviet Union began in Moscow on the mutual renunciation of the use of force

8-10 Assembly of the Western European Union in Paris.

10 It was announced that Britain will channel £4.2 million towards Latin America's development through the Inter-American Development Bank.

Professor Hans-Peter Tschudi elected Swiss Federal President for 1970 in succession to Herr Ludwig von Moos, Herr Rudolf Gnägi elected Vice-President

11 UN Security Council unanimously decided to extend the mandate of the UN Peacekeeping Force in Cyprus for a further six months, to 15th June 1970. On 17th December the UN Secretary-General, U Thant, announced the appointment of General D. Prem Chand of India as Commander of the force, in succession to General I. A. E. Martola of Finland, who relinquished his command on 20th December.

12 Ministerial meeting of the Council of Europe in Paris. Greece announced withdrawal from the council [see 16.1.70 pp. 61-2].

15-16 Meeting in Brussels of Action Committee for the United States of Europe.

16 Britain, United States and France delivered identical Notes in Moscow proposing four-Power discussions aimed at improving the situation with regard to Berlin and access to it.

17-18 First Secretary of the Hungarian Communist Party, Mr. János Kádár, visited Prague, for an exchange of views.

19 Announcement that Britain, the Federal Republic of Germany and the Netherlands had approved the terms of an agreement for the production of enriched uranium by the gas centrifuge process and would sign the agreement on completion of the procedures laid down in the Euratom Treaty (see p. 118-19).

22 Polish Government accepted the proposal of the Federal Republic of Germany (made in a Note on 24th November) for talks on the mutual renunciation of the use of force.

29 It was announced that the World Bank will make a loan of $25 million to the Dominican Republic to help with the construction and operation of facilities needed for the mining and processing of ore for the production of ferronickel.

AFRICA AND THE MIDDLE EAST

October

1 Ghana returned to full civilian rule with the handing over of power by the National Liberation Council to Dr Kofi Busia's Government [see 5.12.69 p. 1066].

Broadcast by General Gowon on the ninth anniversary of Nigerian independence, in which he reiterated the Federal Government's willingness to negotiate a peaceful settlement of the civil war. If the secessionists did not accept the opportunity, the Federal Government would have no choice but to carry on the military operation to its logical conclusion

4 The ruling Nationalist Party in South Africa expelled Dr Herzog, a former Cabinet Minister, who was leading a *Verkrampte* (extreme right-wing) movement. On 26th October he formed the Reconstituted National Party (*Herstigte Nasionale Partie*).

8 Common Man's Charter published in Uganda and adopted by the Uganda People's Congress on 24th October The charter's basic theme is that the gap between a rich minority and poor majority of citizens should not be allowed to grow. It holds that the country should rely on its own resources for financing development, while a greater measure of direction should be given to the country's mixed economy

World Bank granted loan of $14 6 million to Morocco for road improvements. On 13th November Morocco received a further loan of $46 million for the integrated development of irrigation and farming on 222,000 acres in the Gharb plain.

Report by the international observer team in Nigeria (comprising observers from Britain, Canada, Poland and Sweden) praised the Federal Government and Federal troops for their treatment of civilian refugees and prisoners of war in the war-effected areas.

12 The Justice Party, led by Mr. Suleyman Demirel, was returned to power with an increased majority in the Turkish general election.

15 President Abdirashid Ali Shermake of the Somali Republic assassinated

18 In the Botswana general election, Sir Seretse Khama's Botswana Democratic Party won 24 seats out of 31.

18- 2 Nov. Prolonged fighting between Lebanese armed forces and *fedayeen* belonging to *Al Fatah* and other Palestinian groupings. Resignation of Lebanese Prime Minister Rashid Karami on 22nd October.

21 In a *coup d'état* in the Somali Republic, Prime Minister Mohammed Egal's Government was ousted and a Supreme Revolutionary Council assumed power. Major-General Mohammed Siyad Barreh was subsequently named President and the country renamed the Somali Democratic Republic. The Supreme Court was abolished.

Britain announced further loan to Sierra Leone of £100,000 for general development purposes in the current financial year. This is in addition to a loan of up to £1 8 million towards the cost of a new road and another for £560,000.

21-25 Meeting at Abu Dhabi of Supreme Council of the Union of Arab Amirates agreed on the choice of the union's first President (Ruler of Abu Dhabi), Vice-President (Ruler of Dubai) and Premier (Sheikh Khalifa al Thani of Qatar) and on a site for a permanent capital.

22-23 Bomb attacks by *fedayeen* damaged dwellings and caused casualties in Haifa, Israel.

25 Southern Yemen broke off diplomatic relations with the United States.

26 Dr Busia, Prime Minister of Ghana, began an official visit to Britain during which he had talks with the Prime Minister and other members of the Government [see 5.12 69 p. 1066]

28 General election in Israel for members of the Knesset (Parliament) and local councils The governing Alignment (a coalition of the Labour Party, led by Mrs Golda Meir, and five smaller parties) was again returned to power but with a slightly reduced majority.

In a Cabinet reshuffle in the Sudan, the Chairman of the Revolutionary Command Council, Major-General Ja'afar al Numairi, took over the post of Prime Minister from Mr. Abu Bakr Awadallah, who retained, however, the portfolios of foreign affairs and justice.

30 The only Opposition party in Kenya, the Kenya People's Union (KPU), was banned. Its leader, Mr. Oginga Odinga, had been arrested after clashes between President Kenyatta's bodyguard and members of the KPU at Kisumu on 26th October.

Very serious floods during October in Tunisia and eastern Algeria caused hundreds of deaths and serious damage to communications, housing and both permanent and annual crops.

November

1 Uganda law came into force allowing only locally incorporated banks to operate within the country. All three British banks operating in Uganda accepted the terms and incorporated local companies, depositing the required minimum paid-up capital of £1·15 million.

3 General Mobutu, President of the Congo (Kinshasa), paid his first official visit to Belgium.

Cairo agreement to stop hostilities and to regulate future relations concluded between representatives of the Lebanese Government and the Palestine Liberation Organisation.

12 World Bank agreed loan of $10 million to the Société National d'Investissement (SNI) of Tunisia for the development of tourist and industrial enterprises. This brings the total of World Bank loans to SNI up to $25 million.

14-21 State visit by President Sunay of Turkey to the Soviet Union.

15 After meetings in Lusaka, an agreement was signed between Tanzania, Zambia and China on the construction of the 1,100-mile railway from

Dar es Salaam to Zambia's Copperbelt, for which China is giving extensive aid.

16 Arab frogmen damaged by explosive charges two Israeli ships in Eilat harbour.

17 President Kaunda of Zambia said that agreement had been reached with Anglo-American and Roan Selection Trust on terms of compensation for a 51 per cent share in the two copper mining groups' operating companies, which were to be taken over by the Zambia Government on 1st January 1970. The combined values were assessed at £240 million

18 Ghana passed a decree for the expulsion of aliens without residence permits.

Malawi passed Bill giving 'traditional' courts power to try all types of case, including capital cases, and to impose the death penalty Four British High Court judges subsequently resigned

Rhodesian Legislative Assembly approved the third readings of four Bills embodying the illegal regime's proposals for new constitutional arrangements--the Constitution of Rhodesia, Land Tenure, Electoral and High Court (Amendment) Bills The four Bills were signed on 30th November by Mr. Clifford Dupont, the regime's 'Officer administering the government'.

21 Sir Edward Mutesa, the deposed Kabaka of Buganda, died in London

22 Ban lifted on political activities in Upper Volta, in preparation for a return to civilian rule in 1970

President Kenyatta of Kenya elected for second five-year term as President.

24 Ghana's Supreme Court ruled that the leader of the major Opposition party, the National Alliance of Liberals, Mr Komla Gbedemah, was disqualified from holding his seat in Parliament under the new constitution. Dr. G Agama was later elected Parliamentary Opposition Leader

26 Gabon was granted an additional £69,000 by the Ministry of Overseas Development for the purchase of trucks and Land Rovers to assist a major road building programme

28 Southern Yemen armed forces attacked and captured the Saudi Arabian border post of Wadieh. The post was recaptured by a Saudi Arabian force on 1st December and border fighting continued for some days after that.

Two Palestinian *fedayeen* threw a bomb into the Athens office of the El Al airline, killing a Greek child and injuring 13 other persons

28-30 Constitutive congress of Togo's new single party, the Togolese People's Rally, headed by President Eyadema

December

1-10 Working group on National Economic Surveys in Africa, with representatives from 12 countries, met at the headquarters of the UN Economic Commission for Africa at Addis Ababa.

4 British Government announced grants of £100,000 each to Oxfam and the British Council of Churches for relief work on both sides in Nigeria

5-17 Visit to Lagos, at the suggestion of the Nigerian Federal Government, by Mr. Maurice Foley, Under-Secretary of State, Foreign and Commonwealth Office.

6 First elections in Kenya since independence. All candidates were members of the ruling Kenya African National Union party.

9 UN Security Council condemned Portugal for two alleged artillery attacks on Senegal by troops in Portuguese Guinea.

Nigerian Federal Government formally declared that it did not wish to secure military advantage from any resumption of daylight relief flights to Biafra. This assurance was rejected by Biafra, which stated that it could accept the resumption of daylight flights by the International Committee of the Red Cross only if there was a third party guarantee against their misuse by Nigeria. Daylight flights were cut off in June 1969 [see 15.8 69 p. 701].

In a foreign affairs debate in the British House of Commons, the Government's policy on Nigeria was endorsed by a vote of 170 to 86.

10 President Zinsou of Dahomey was overthrown by a police and army *coup d'état* led by Colonel Kouandeté A three-man military directorate was set up, its Chairman Lieut -Colonel de Souza

11 New customs union agreement signed by South Africa, Botswana, Lesotho and Swaziland, to come into operation 1st March 1970.

12-21 Commonwealth Secretary-General, Mr Arnold Smith, visited Sierra Leone and The Gambia.

13 Anglo-Libyan agreement for the evacuation of all British forces and equipment from Libya by 31st March 1970 [see 16 1.70 p 53]

14 Chad Progressive Party won most votes in the Chad general election.

Prime Minister of Sierra Leone, Mr. Stevens, announced plans for the Government to take over a 51 per cent share in all mining companies in the country by the end of March 1970

14-16 Organisation of Petroleum Exporting Countries held its nineteenth conference at Doha (Qatar)

17 Agreement signed in Accra for a further British loan to Ghana of £1 75 million, raising British aid to Ghana in 1969-70 to £5 75 million.

Full Franco-Moroccan diplomatic relations restored The two countries withdrew their ambassadors in January 1966 after it was alleged in a French court that the Moroccan Minister of the Interior, General Oufkir, was involved in the 1965 disappearance (in Paris) of the Moroccan opposition leader, Ben Barka

18 Attempt by the Emperor of Ethiopia to arrange a meeting in Addis Ababa between representatives of Nigeria and Biafra ended in failure.

19 President Obote of Uganda shot and wounded when leaving the final session of the Uganda People's Congress Party's annual conference. The opposition Democratic Party was subsequently banned

British Government announced that it had agreed to take over repayment of Zambia's proportion of the World Bank loan to Rhodesia and Zambia for the Kariba power project, making it possible for Zambia to contract a new loan of some $35 million for the construction of a power station on the north bank of the Kariba Dam.

Israeli commando force made a rocket attack on an Egyptian army camp 20 miles west of the Suez Canal.

21-23 Fifth summit of Heads of State of Arab League countries at Rabat.

23 Libyan-United States agreement for the withdrawal of all US forces from the US Air Force base at Wheelus (near Tripoli) by 30th June 1970.

24 Saboteurs blew up installations at a pumping station near Iringa, Tanzania, to cut off oil supplies through the 1,060-mile oil pipeline from Dar es Salaam to Zambia.

25 Five Israeli high-speed missile vessels (unarmed) sailed from Cherbourg for Haifa despite French Government embargo.

25-27 Meeting in Tripoli, Libya, at which President Nasser (UAR), Colonel al Qadhafi (Chairman of the Libyan Revolutionary Command Council) and Major-General al Numairi (Sudan) agreed to promote closer economic, military and cultural co-operation between their three countries, and to hold regular meetings between themselves every four months.

27 UAR advanced radar installation near Suez captured intact and removed by Israeli commando force.

29- UN Secretary-General, U Thant, paid official visits to Mauritania,
19 Jan. Senegal, Guinea, Liberia, Ghana, Cameroon, Togo, Niger, Upper Volta and Ivory Coast.

28 Eleventh ministerial council meeting at Tehran of the Regional Co-operation for Development Organisation (consisting of Iran, Pakistan and Turkey).

30 Presidential Council of Republic of Southern Yemen reduced from five members to three, who were named as Mr Salim Ali Rubai (chairman), Mr. Abd Al-Fattah Ismail (secretary-general of the National Front) and Mr. Mohamed Ali Haithem (Prime Minister).

ASIA AND THE PACIFIC

October

30 Sep. Mr. J Marshall, New Zealand Minister of Overseas Trade visited
30 Oct. Britain, Western Europe and Japan for trade talks

2 Centenary of the birth of Mahatma Gandhi

4 People's Republic of China released Reuter's correspondent, Mr Anthony Grey, who had been held in detention in Peking since 21st July 1967 [see 7.11.69 p. 994].

5-24 Second Asian International Trade Fair held in Tehran [see 26.9.69 p. 864]. British Day, on 7th October, was opened by Princess Margaret

9 Cambodian Foreign Minister announced the Government's decision to terminate by the end of 1969 the operation in Cambodia of the International Control Commission set up after the 1954 Geneva Conference on Indo-China.

9-17 Ninth conference of the South Pacific Commission held at Noumea, New Caledonia

11 Mr. Tung Pi-Wu appointed President of the People's Republic of China in place of Mr. Liu Shao-chi.

14-31 Twentieth meeting of Colombo Plan Consultative Committee held at Victoria, British Columbia

15 State of emergency, imposed in Ceylon on 13th September, lifted after settlement of strikes

Canton Autumn Trade Fair opened.

16-25 International Trade Fair in Sydney (a joint venture with the London Chamber of Commerce).

17 Referendum in South Korea on an amendment to the constitution to allow President Park Chung-hee to run for a third consecutive term of office in 1971 gave the President 65·1 per cent support.

20 Sino-Soviet talks opened in Peking.

22 Agreement signed in Djakarta for British interest-free loan of £500,000 to Indonesia for the purchase of British goods.

23 Two elderly British residents, Mrs. Martin and Mr. McBain, arrested in Shanghai. In spite of approaches by the British Government, Chinese authorities have given no explanation or information on their whereabouts and consular access has not been allowed.

25 Australian general election: Liberal and Country Party coalition returned to power with reduced majority, under leadership of Mr. John Gorton.

29 Former Prime Minister of Burma, U Nu, granted political asylum in Thailand.

30 Military advisers from six countries belonging to the South-East Asia Treaty Organisation met in Bangkok.

31 South Vietnamese Government cancelled or reduced the sentences of 310 political prisoners, including the Buddhist youth leader, Thich Thien Minh.

November

Replacement in Fiji of nominated Indian Advisory and District Councils by 13 elected Advisory Councils.

South Pacific Commission appointed Afioga Afoafouvale Misimoa, of Samoa, to be its Secretary-General in succession to Sir Gawain Bell, with effect from 1st January 1970. Mr. Misimoa is the first Pacific Islander to hold this post.

2 Thai Deputy Prime Minister and Minister of National Development, Mr. Nai Pote Sarasin, arrived on a visit to Britain which included a meeting with the Prime Minister, Mr. Wilson.

3 President Nixon set out his policy for Vietnam in a national broadcast [see 19.12.69 pp. 1100-3].

4-6 Senior defence officials of Australia, Britain, Malaysia, New Zealand and Singapore met in Kuala Lumpur for talks on regional defence after the British withdrawal in 1971 [see 5.12.69 p. 1086].

11 Philippines elections. President Marcos became the first President to be re-elected. His Nacionalista Party won a majority of seats in the House of Representatives.

UN General Assembly voted for the nineteenth time on the proposal to seat the People's Republic of China. Supporting the motion were 48 states, including Britain, with 56 against and 21 abstentions.

14 Norway declared its recognition of Cambodia's frontiers.

15 Philippines Foreign Policy Council approved the plan to withdraw before Christmas all the country's 2,000 men in Vietnam.

Announcement of British loan of £6 million to Pakistan [see 2.1.70 p. 36].

17 Japanese Prime Minister, Mr. Eisaku Sato, arrived in the United States for talks with President Nixon. In the communiqué issued on 21st November, the two countries confirmed their intention to maintain their treaty of mutual co-operation and security; agreed to hold consultations with a view to returning Okinawa to Japanese administration by 1972 and set out their views on measures required for maintaining the security of the US and Japan.

Start of England-Australia air race commemorating fiftieth anniversary of first flight by Keith and Ross Smith.

18 Following a split in the Indian Congress Party and the formation of two groups, the Speaker of the Lok Sabha (Lower House) named the group of the Prime Minister, Mrs. Gandhi, as Congress Party and the group of Mr. Desai as Congress Party Opposition.

19 The UN General Assembly adopted a resolution taking note of the Secretary-General's report that representatives of the population of West Irian had expressed their wish to remain with Indonesia.

United States announced the partial lifting of its 19-year embargo on trade with the People's Republic of China.

20 The chief American negotiator at the talks in Paris on Vietnam, Mr. Cabot Lodge, and his deputy, Mr. Walsh, resigned.

21 International Monetary Fund approved Burma's first stand-by arrangement authorising purchases of foreign exchange up to the equivalent of $12 million over the next 12 months.

British Government grant of £1·9 million announced, to provide a new 300-bed hospital at Lautoka, Fiji.

A £10·5 million contract for a 600MW power station at New Plymouth, New Zealand, awarded to a British firm, International Combustion Ltd.

l-25 A consortium of governments (including the British) interested in development aid to India met in Stockholm under the chairmanship of the International Bank for Reconstruction and Development

26 Statement by President Nixon referring to allegations that American troops had massacred civilians in My Lai [see 19 12 69 p 1098]

28 Five agreements signed in Delhi, covering British interest-free loans totalling £30 5 million, which completed Britain's pledge of £38 million of new financial aid to India in 1969-70 [see 4 7 69 p 584] A loan agreement for £7 5 million had been signed on 2nd July 1969

In an address to the nation, President Yahya Khan of Pakistan announced that elections would be held on 5th October 1970

29 National Party, led by Mr Keith Holyoake, returned to power for a fourth consecutive term at New Zealand general election

Completion of standard gauge railway line linking Sydney and Perth Although the opening of the Transcontinental Railway (southern Australia to western Australia) in 1917 completed the east-west railway link, the varying gauges used in different states continued to prevent through services without changes

cember

1 Coalition Government formed in Mauritius between the majority Independence Party led by the Prime Minister, Sir Seewoosagur Ramgoolam, and the Parti Mauricien Social Démocrate led by Mr Gaetan Duval The Cabinet was enlarged from 15 to 21 members

3 North Korea released three US airmen held three and a half months after their unarmed helicopter had been shot down in the western sector of the demilitarised zone.

5 Announcement of the appointment of British consultants by the Government of Malaysia in association with the State of Johore and the British Ministry of Overseas Development, to carry out a comprehensive study of two regions in Johore State and to produce a regional development master plan. The cost of the study will be shared between Britain and Malaysia [see 16.1.70 p. 82].

9 Cotton Development Centre, to which Britain is contributing over £300,000, opened in Thailand.

11 Korean Air Lines plane, with 47 passengers and 4 crew, was hijacked to North Korea, where it has been held.

15 President Nixon announced the withdrawal of 50,000 more Americans from Vietnam before 15th April 1970 [see 19.12.69 p. 1098]

16 Mr John Gorton, Australian Prime Minister, announced that some units of the Australian Task Force in Vietnam would be withdrawn at the time of the next major withdrawal of US forces.

Malaysian Prime Minister, Tunku Abdul Rahman, announced the normalisation of relations between Malaysia and the Philippines, broken off 17 months ago over the Philippines' claim to Sabah

16-17 Third ministerial meeting of the Association of South-East Asian Nations (ASEAN) held in Malaysia, attended by delegations from Indonesia, Malaysia, the Philippines, Singapore and Thailand. The final statement gave approval to 98 development projects and contained agreements on the setting up of a $M15 million (approximately £2 million) fund to finance joint projects, and on the promotion of co-operation in mass media and cultural activities

18 China and the Soviet Union, with North Korea, North Vietnam and Mongolia, signed an agreement in Ulan Bator on railway communications for 1970-71

19 Second successful oil and gas strike in the Maui field, 24 miles offshore from the North Island of New Zealand, announced by a Shell-BP-Todd oil services consortium, opening up strong possibility of New Zealand's first major oilfield

22 Communique issued in London at the close of talks between British Ministers and the Sultan of Brunei. The talks continued the review of the existing relationship between Britain and Brunei begun in September and October 1968 [see 8.11.68 p. 1055]. Further meetings are to be held in 1970 at a date to be agreed between the two Governments

27 In the Japanese general election, the ruling Liberal Democratic Party won a sweeping victory. The Komeito (Clean Government) Party gained an additional 22 seats and the Japanese Socialist Party lost 44

29 North Vietnam and Senegal announced the establishment of diplomatic relations. Senegal becomes the second country after Laos where both North and South Vietnam are represented by ambassadors

Progress of British Economy

CHANCELLOR'S SPEECH IN CHICAGO

On 7th January the Chancellor of the Exchequer, Mr Roy Jenkins, spoke at a lunch given in his honour in Chicago by the British-American Chamber of Commerce and the Chicago Council on Foreign Relations. After referring to recent developments in the international monetary system and the lessons to be drawn from them, he reviewed the progress of the British economy since he took office in November 1967 and the policies which had, he believed, contributed to that progress.

Developments in the International Monetary System

Mr. Jenkins referred to the recurring crises in the international monetary system since November 1967 and to the present more stable monetary position, with general confidence in the parities of all the main currencies and general acceptance of the special drawing rights scheme [see 24.10.69 p. 951] which was a considerable addition to international liquidity. He called for continued international monetary co-operation, paid tribute to the contribution by United States policies towards lessening the effects of recent periods of difficulty on sterling and the international monetary system, and observed that Britain had for some months been paying off at a substantial rate some of the obligations incurred during the critical periods and intended to continue hard with ' this relatively pleasant task '.

Developments in Britain

Mr. Jenkins reaffirmed his belief in the absolute correctness of his policy of giving overwhelming priority to putting the British balance of payments right, as it offered ' more economic security in a world which can always be dangerous, by far the best prospect of achieving a more rapid rate of economic growth and the basis on which we can more effectively play an international role based on real strength and not on illusion '.

The acute turn given to Britain's long-term balance of payments difficulties in 1967 had made necessary a rapid and large-scale switch of resources from the home market to exports. There were three main lines of attack on the problem. The first was fiscal. In the two Budgets of 1968 and 1969, supplemented by special measures in November 1968, taxation was increased by an amount unparalleled in British peacetime history. At the same time public expenditure was brought under very sharp control; limits for the growth of aggregate public expenditure in 1968-69 and 1969-70 were announced and strictly observed by a considerable margin in 1968-69. Public expenditure increased in real terms by a little under 2 per cent a year, well below the rate of growth of the economy as a whole and lower than in any other two-year period for many years. The financial position of the public sector was transformed. The central Government had moved from a borrowing requirement of about $3,100 million in 1967-68

to a surplus of $2,500 million in the year ending March 1970 and was now repaying debt on a massive scale.

To assure the longer-term balance of the economy, plans in considerable detail were published for the whole public sector up to 1971-72 and on a provisional basis for two further years [see 2.1 70 p. 18] This was, Mr. Jenkins believed, the most far-reaching venture in planning of public expenditure ever undertaken by any government

Secondly, it had seemed right to Mr. Jenkins to combine these fiscal policies with a policy designed severely to limit the expansion of credit and which had in fact achieved through interest rates, direct limitation of bank advances and management of the gilt-edged market - an exceptional and effective degree of monetary restraint

The third line of attack had been through a variety of policies in the industrial field, including those aimed at preventing an inflationary growth of prices and incomes [see 2 1 70 p 12] Runaway inflation had been avoided During the critical past two years, despite substantial increases in prices, to which the higher cost of imports and indirect taxation contributed a great deal Britain's competitive position in world markets had been maintained. There had been price inflation, as was inevitable in the circumstances, but it had been no more with a 14 per cent devaluation than the United States had had without a devaluation However, the British Government could not expect to continue powers of this kind for any lengthy period

The combination of these different kinds of measures had produced "a significant and necessary shift in the balance of the British economy The middle quarters of 1969, compared with the same quarters of 1967, show public consumption steady, private consumption up at only half the rate of increase in GNP and exports up by four times that rate

"The result has been a striking turn-round in our balance of payments In the second half of 1967 we were running a current account deficit at an annual rate of $1 2 billion ($1,200 million) in the third quarter of 1969 this had turned into a surplus on current account of over $1 3 billion $1,300 million] at an annual rate, and the balance of payments as a whole was in overall surplus in the middle two quarters of last year, a rate approaching $1 5 billion ($1,500 million] More recent trade figures show that the surplus is being maintained We have entered a period of strength in our balance of payments such as we have not had for very many years past

"I am determined to hold to this strong position We have fought too hard and too long for this hitherto elusive result now to be prepared to let it slip away again"

Industrial Research and Development

GOVERNMENT PROPOSALS FOR NEW ORGANISATION

A Green Paper entitled *Industrial Research and Development in Government Laboratories*, published on 15th January by the Ministry of Technology (HMSO 2s 6d), outlines a proposal for setting up a new corporation, outside the Civil Service, to run the civil research and development laboratories of the Atomic Energy Authority (AEA) and of the Ministry itself under a single management The National Research Development Corporation (NRDC) would also be assimilated into the new organisation in view of its expertise in the exploitation of innovation. In a foreword the Minister of Technology, Mr. Benn, says that

the proposals raise important issues meriting public debate, for which the Green Paper provides a basis.

Reasons for Proposals

The Minister points out that Britain has not profited fully from its heavy investment in research and development, since its rate of economic growth has been running at a lower level than that of many of its competitors.

In developing its policies for research and development, the Government had therefore concentrated, over the last few years, on measures that would most assist industry to improve its performance. Emphasis had been shifted from defence research to civil tasks, and the previous concentration on the aerospace and nuclear industries (both strongly associated with defence) had been reduced in order to release effort in support of a wider range of industry [see 31.1.67 pp. 136-40 and this issue pp 91-3] More stress had been put on extramural rather than intramural research, and greater encouragement given to the exploitation of innovation by which results of research are carried through to full-scale application.

This redirection of effort had had important consequences for the laboratories of the Ministry of Technology and the AEA Their staffs had been reduced and their programmes of work largely reshaped Furthermore, the enactment of the Atomic Energy Authority Bill, which was coming before Parliament, would alter the shape and size of the AEA considerably because its production organisations would be 'hived off' into two separate companies a nuclear fuel company and a radiochemical company The Government therefore believed that the time had come to consider a fundamental reorganisation[1] and a further redirection of the research and development resources of the Ministry of Technology and of the AEA.

Proposed British Research and Development Corporation

The proposed new body would be a statutory corporation, possibly called the British Research and Development Corporation (BRDC) Its aims and functions would be:

(1) to encourage and support the development and application of innovation and technological improvement in industry for the benefit of the UK economy, and to carry out research and development for this purpose, both itself and in collaboration with industry and on repayment

(2) to carry out research programmes necessary in the public interest, including basic research, and other specific programmes of work required by government departments and other public authorities.

(3) to exploit, where appropriate, innovations resulting from government financed programmes carried out by other agencies

The BRDC would comprise the existing resources of the AEA's Reactor and Research Goups, of the Ministry's main Industrial Research Establishments and of the National Research Development Corporation It would be a powerful organisation, at the outset employing between 4,000 and 5,000 professional staff with a gross expenditure of about £70 million annually The numbers of professional staff and budgets of the separate organisations are shown in the table.

Government work, including that of an industrial character such as the reactor research and development programme, would inevitably comprise the bulk of BRDC's programme and would provide the greater part of its revenue for some years to come. Basic research, advisory services and statutory work

[1] For present organisation see COI reference pamphlet *Industrial Research and Development in Britain*, R.F.P. 5820/68, and reference paper *The Promotion of the Sciences in Britain*, R.5624/68.

might be funded by a grant-in-aid, but specific tasks or projects for government departments would be charged at full costs. A gradual change to a contractual relationship should help to bring about a marked change of attitude within departments, which would have to pay for the work they wanted done, as well as within the corporation, which would have to satisfy its customers. Financial expenditure would be reallocated between the Ministry of Technology and the other departments, which would assume responsibility for the cost of research and development projects; this would not increase government expenditure.

The biggest single element of the BRDC's programme would be the reactor development programme This was currently costing some £27 million a year

PROPOSED BRITISH RESEARCH AND DEVELOPMENT CORPORATION
PRESENT RESOURCES OF ORGANISATIONS RECOMMENDED FOR INCLUSION

	Professional staff numbers	Gross annual cost including capital expenditure
		£ million
Ministry of Technology Industrial Research Establishments		
National Physical Laboratory	700	6 0
National Engineering Laboratory	350	3 1
Warren Spring Laboratory	200	1·3
Hydraulics Research Station	100	0 6
Forest Products Research Laboratory	100	0 4
	1,450	11 4
AEA's Research Group Establishments		
AERE, Harwell	1,200	16 4
Culham Laboratory	250	3 1
	1,450	19 5
AEA's Reactor Group Establishments		
Winfrith	450	5 2
Dounreay	300	13 5
Risley	650	8 8
Ancillary facilities elsewhere	350	6 1
	1,750	33 6
National Research Development Corporation	100	5 2
Total	4,750	69·7

Note All figures are rounded

but the level of expenditure was expected to decline in the next five years. Whereas at present the AEA was responsible both for advising the Government on the size and shape of this programme and for carrying it out, the BRDC would be relieved of the former task and its role would be limited to executing the programme under contract from the Government. The Government itself would be advised by an Atomic Energy Board. The Minister of Technology had announced in July 1968 the Government's intention to establish this board. Although its exact powers and duties remain to be worked out in detail, it would include representatives of the design and construction companies, the generating boards and the proposed Nuclear Fuel Company. One of its main tasks would be to see that the national effort in support of nuclear power is deployed to the best advantage.

The Minister of Technology would appoint the board of the corporation and the Ministry would finance such basic research programmes as seemed desirable. Adequate arrangements would be necessary for the department to determine or guide the broad lines of programmes, but the corporation would be free to undertake on its own initiative work or investments on which it expected to recover costs. It would, however, be required to operate within the general framework of the Government's industrial policies. Special arrangements would be made to ensure that regional considerations would be taken into account in the BRDC's activities, especially in relation to the location of its establishments.

Given this degree of freedom, the BRDC would be able to engage in joint ventures with industry, sharing costs and risks. The inclusion of the NRDC would assist the development by the new body of an outlook appropriate to the exploitation of new developments, and would bring about benefits such as wider opportunities for the NRDC's management abilities and knowledge of the needs of industry. In effect, the inclusion or integration of the NRDC into the new corporation would provide the essential element in its management structure to direct attention to the needs to secure a return on work and investment. There would, of course, be no restriction on the BRDC's activities in exploiting inventions made by other bodies, following the present practice of the NRDC.

The BRDC would be required to arrange for most of its work to be undertaken on a contractual basis. In view of the Government's wide responsibilities, it would inevitably be the major customer. The 'Government' took many forms, however, and it would be a healthy discipline for departments and organisations to have to pay directly for the programmes they sponsored. The bulk of the civil work carried out for Government at the research and development establishments could be undertaken under contract from the departments concerned. Statutory responsibilities would continue to make heavy calls on research and development resources, as would other activities within the establishments, such as advisory services; programmes of basic research must continue. All this work carried out in the public interest must continue to be financed direct from public funds.

The corporation's work for industry should clearly be conducted on a contractual basis, on repayment or as jointly funded ventures, because industrial participation was the simplest test of the value to industry of the work in government establishments. It was not possible to estimate exactly how much of such work industry would want; but if a new research and development organisation were set up which would live to a growing extent on its earnings from contracts, joint ventures and royalty arrangements, its success in meeting the needs of industry would play a part in determining the eventual level at which it operated. Such success would, over a period, make it possible to reduce the level of government subsidy for industrial research, and the extent and nature of such work undertaken in government laboratories would thus be increasingly determined by industry itself.

Development Assistance Committee of OECD

EIGHTH HIGH-LEVEL MEETING

The eighth annual high-level meeting of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) took place on 27th and 28th November at the headquarters of the OECD in Paris. Britain was represented by the Minister of Overseas Development, Mrs. Judith Hart.

The Development Assistance Committee (DAC) originated as the Development Assistance Group (DAG), which was formed in 1960 by members and associate members of the Organisation for European Economic Co-operation (OEEC) as an informal body for consultation between countries providing aid to developing countries. When the OEEC was replaced by the OECD in 1961, the DAG was reconstituted as a committee of the new organisation with its functions unchanged.

The members of the committee are: Australia, Austria, Belgium, Britain, Canada, Denmark, France, Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Switzerland, the United States and the Commission of the European Economic Community. The International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) participate as observers.

Chairman's Statement

In his opening statement the chairman of the committee, Mr. E. McCammon Martin, surveyed the achievements of the past 20 years and made suggestions for further progress.

The 1960s, he said, had seen the successful continuation of the development of the physical infrastructure of developing countries, in particular transport, communications and power. Public health programmes launched after the second world war had continued throughout the 1950s and 1960s to reduce death rates "rather sensationally" and improve the health and energy of the living. Human resources had improved as a result of technical assistance and training and the greatly increased number of school enrolments, so that, although there were still large gaps, developing countries would begin the 1970s far better equipped with skills than they had been at the beginning of either of the two preceding decades.

Mr. Martin mentioned the growth in expertise in the administration of aid programmes by donor countries and the improved performance by the developing countries in economic planning and management and the execution of projects. He referred to the growing awareness of the importance of increasing food production and controlling population growth and thought that significant further progress with both could be made in the 1970s. He also spoke of the need to adapt education more closely to the development needs of each country and to improve its quality and cost efficiency. Malnutrition, particularly with respect to protein deficiency and the pre-school child, was another matter requiring further attention. Extensive progress along these lines must be made in the 1970s.

He welcomed the appreciation of the importance of linking trade policy and aid policy, shown in the acceptance at the United Nations Conference on Trade and Development (UNCTAD) of the need for non-reciprocal preferences on manufactured goods. Although there would be difficulties in reaching it, an agreed programme for these could be the start of a major improvement in the effectiveness of development policies in the 1970s.

Mr. Martin shared the view which had been expressed by the president of the World Bank, Mr. McNamara, [see 24.10.69 p. 952] that a major attack

should be made on the problems of employment and the quality of environment, especially in urban areas, where the situation had deteriorated in the 1960s.

The developing countries had had an average growth in gross national product of about 5 per cent in the 1960s, historically an outstanding record and a good foundation for a 6 per cent average in the 1970s. Many countries had not done this well, however, and the search for means to spread benefit more widely should be given high priority. The good growth averages had been achieved in spite of a decline in net flows of financial resources over the 1960s to little more than three-quarters of the (UNCTAD) target of one per cent of gross national product which had now been accepted, and despite the fact that net flows of official development assistance had in 1968 been only a little over half the 0 7 per cent target which had now been recommended by the Pearson Commission [see 7.11 69 p. 1007]. Basic re-examinations of aid policies being made in a number of key countries could result in an improvement in both the quantity and quality of aid.

Recent growth rates had owed much to the high level of imports from developing countries, Mr. Martin continued. The year 1968 had seen the largest increases in the volume of the developing countries' exports since the second world war—8 per cent—and one of the largest in value 9 per cent and 1969 looked like being another good year in this respect. The developing countries' export prospects for the 1970s looked good, particularly in view of the rapid expansion in exports of manufactured products, which had risen by 20 per cent in 1968 in 1960 they had been 10 per cent of total exports, in 1968 over 16 per cent. This was giving some countries not only the protection of diversification but also an improvement in the terms of trade, since the prices of their exports of manufactures went up about as much as those of the manufactures they imported. New tariff concessions, when given, should extend and accelerate this encouraging trend.

There might be obstacles to progress, such as drought or excessive rains, or, more serious, and impossible for developing countries to control, a deep and prolonged depression or financial crisis in the developed world, or a major war between developed countries The production of substitutes for coffee and sugar would present a serious setback for many developing countries Lack of effective political leadership in a few key developing countries could seriously affect the averages, as could diversion of resources and energies to meet acts, or even threats, of external or internal violence

A fair amount of tranquillity and a low level of defence expenditure were almost essential for the rate of progress needed in the 1970s to avert growing dissatisfaction from causing even more serious development problems On the other hand, tensions might be merely evidence that the change which was crucial to modernisation was in fact taking place, and tolerance and patience were desirable.

Another problem was indebtedness ' We shall have to do much better in the seventies than we have in the sixties in handling the heavy load of indebtedness now borne by many developing countries, including the three largest of them, if steady progress is to be possible ', Mr Martin said

He did not think that 'development weariness' on the part of either donors or recipients was likely to be as great a problem as the others he had mentioned. On balance, he said in conclusion, ' I believe we can enter the seventies with the prospects of achieving more with our resources than we did in the sixties and seeing more concrete evidence of the inputs of the past 20 years ', provided that the development effort were not interrupted by catastrophes external to it.

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Communiqué

A communiqué issued at the conclusion of the meeting of the DAC said that the committee, in its review of the latest developments in the aid programmes

of member countries and of the progress and problems of the developing countries, had noted particularly that total flows of financial resources to less developed countries had risen in 1968 by 15 per cent to almost $13,000 million; this had been mainly the result of sharp increases of private flows.

The review was strongly marked by the preparations for the second United Nations Development Decade (which begins in January 1971). In its discussion of the future orientation of its work the committee agreed that the main tasks should include preparation for the second Development Decade and consideration of the financial terms of assistance. The recent publication of the report of the Pearson Commission had been particularly timely, because, in addition to stimulating public discussion by providing a penetrating analysis of the problems of development, it focussed attention on a number of key issues for the second Decade, many of which had for some time been the subject of detailed consideration in the DAC and elsewhere

It was recognised that the proposals of the Pearson Commission were directed to many different institutions as well as to individual governments and included five proposals specifically addressed to the DAC The committee welcomed the fact that many of the proposals were already receiving attention and agreed that the relevant proposals should be carefully studied by the DAC in its work on these subjects in 1970 The time schedule for this work should take into account the need to give full support to the preparations being made in the UN preparatory committee and in the UNCTAD for decisions relating to the strategy for the Decade.

The committee noted with satisfaction the statement by the Secretary-General of the OECD that he was consulting with the council of the organisation in order to intensify and expand the efforts of the OECD in the development field He had indicated that this approach should include, in addition to development assistance policies dealt with by the DAC and development problems already dealt with by, *inter alia*, the Trade Committee, relevant aspects of policies in various other fields of activity of the organisation

Several delegates referred to the need for public support for sustaining and improving aid programmes Some of them were encouraged by the rising support for development assistance in their countries, others, however, mentioned the difficulties they were facing in this respect Several countries noted the usefulness of a recent meeting of DAC parliamentarians in mobilising influential support for development assistance

A number of the Ministers and heads of aid agencies present at the meeting stressed the importance of a separate target for the level of official development assistance Some countries had already achieved a high level of official assistance in relation to gross national product, or had established definite internal plans for targets which represented substantial increases Others announced that they were giving serious attention to establishing official development assistance targets or were planning increases in official assistance, while at the same time encouraging other forms of financial flows

The committee agreed that a careful study should be made by the OECD secretariat, drawing on the experience of aid agencies and using the facilities of the Development Centre of the OECD, with a view to identifying, and making co-ordinated efforts to reduce, the main procedural obstacles to greater efficiency in handling aid programmes and projects. This would represent a preliminary exploration of the suggestion by the Pearson Commission that the DAC should sponsor a meeting of major aid donors and recipients in 1970 to define the major procedural obstacles to effective aid implementation, to explore measures to reduce them, to introduce greater uniformity in the aid regulations of donors, and to improve procedures in aid-receiving countries.

Many delegates stressed the need for better co-ordination between all forms of assistance, both bilateral and multilateral. Hopes were expressed that

the study of the capacity of the UN development system by Sir Robert Jackson, would contribute to this result.

Progressive untying of bilateral and multilateral aid was a subject with which the DAC had long been concerned, and it was noted by the committee that the work programme considered at its 1968 high-level meeting had included most of the suggestions made in this respect by the Pearson Commission. The committee also noted with satisfaction that first steps to reduce the incidence of aid tying, including moves to permit purchasing in other less developed countries, had been taken by several countries in 1969. Several countries reiterated their willingness to join in the work aimed at a general agreement on the untying of aid; a few delegations pointed out that unilateral action could also be envisaged in this field. The view was also expressed that action in this field should not be allowed to distract attention from the need to increase the volume of aid.

It was recalled that the recommendation on DAC supplementary terms targets, approved in February 1969, included an agreement to undertake further work on the problems that export credits posed for many countries with heavy debt-servicing burdens in relation to their payment capacity. Work had already been done on this problem by a DAC working party and it was agreed that the working party should continue its work on the whole of the extremely important problem of debt, including the possibility of establishing the criteria for determining appropriate terms of assistance.

In this broader context the meeting heard reports from the IMF, the IBRD and the OECD secretariat on the progress being made in securing full and prompt information on debt burdens, public and private, of each developing country. The meeting expressed the desire that joint activities along present lines should be continued and, as necessary, intensified.

Next Meeting

The next annual high-level meeting of the DAC will take place on 14th and 15th September 1970. At the invitation of the Japanese Government the meeting will be held in Tokyo.

European Gas Centrifuge for Uranium Enrichment

TRIPARTITE AGREEMENT ON COLLABORATION TERMS

On 19th December the Minister of Technology, Mr. Benn, told the House of Commons (*Hansard*, cols. 1732-40) that Britain, the Federal Republic of Germany and the Netherlands had approved the terms of an agreement for the production of enriched uranium by the gas centrifuge process and would sign the agreement on completion of the procedures laid down in Article 103 of the Euratom Treaty. This agreement on terms followed agreement in principle, reached in March 1969 [see 28.3.69 p. 318].

Mr. Benn briefly summarised for the House the main features of the proposed agreement, which were given at greater length in a communiqué agreed between the three countries concerned and issued on the same day (19th December). The operative paragraphs of Mr. Benn's statement were as follows:

'All three countries have been developing the gas centrifuge process for a number of years. We are confident that it offers the most economically attractive means of providing the capability which Western Europe needs to meet the

rapidly growing demand for enriched uranium for nuclear power stations and believe that our collaboration to this end will not only strengthen technological co-operation but will also contribute to economic integration in Europe. We have already stated our readiness to collaborate with other countries interested in the process, both within Europe and elsewhere, and have had informal talks with two of them. But our first objective has been to get industrial collaboration going on a tripartite basis.

'Two joint industrial enterprises will be established—an Enrichment Organisation with its headquarters in this country, to own and operate enrichment plants, and a Prime Contractor, with headquarters in Germany, to design and build them. Both will, as soon as possible, assume responsibility for research and development.

'Initially the collaboration will provide separative work capacity of 350 metric tonnes per annum, divided between enrichment plants at Capenhurst and at Almelo in the Netherlands. The joint enterprises will decide in due course about expanding capacity beyond this figure.

'An inter-governmental joint committee will supervise the joint industrial enterprises in such matters as safeguards, security and agreements with other countries or international bodies. The collaboration will be entirely consistent with the three Governments' responsibilities for the non-proliferation of nuclear weapons, to which we all attach great importance. Indeed, we see the international exploitation of the process as a major contribution to this cause, and to the peaceful uses of atomic energy. The safeguards applied will include the procedures already established by Euratom as well as any additional obligations which may arise from agreements with the IAEA [International Atomic Energy Agency]. The Governments will continue to protect the security of the technology involved.'

In answer to questions, Mr Benn explained that the British participant in the Enrichment Organisation would be the proposed new Nuclear Fuel Company. As regard the timetable for development, he expected the agreement to be signed in the latter half of February and the articles of association of the two companies to be made public during 1970. The initial plan was for a 200 tonne separative operation at Capenhurst with an associated plant at Almelo. By the mid-1970s the plant should be operating, and the demand for enriched uranium was likely to rise rapidly in the 1970s and still more in the 1980s. It was the intention to meet as much of this demand as possible. In each case private arrangements would be made in Britain and it was the intention that private firms should be able to take part in the Nuclear Fuel Company. As for cost, it would be cheaper to enrich uranium by centrifuge than by diffusion.

Anglo-Turkish Economic Relations

BRITISH PARTICIPATION IN FIRST BOSPHORUS BRIDGE

The contract, signed on 26th January, for the construction of the first bridge to link Europe and south-western Asia across the Bosphorus, has been awarded to an Anglo-German consortium made up of the British Cleveland Bridge and Engineering Company and Hochtief AG of the Federal Republic of Germany. The Cleveland company will be responsible for some 80 per cent of the value of the project but will sub-contract some of the work to other European firms. The value of the contract is £14 million.

The Cleveland-Hochtief consortium won the contract in competitive tender against three other international consortia. The British company was able

to offer unique expertise because it had played a major part in the construction of the Severn suspension bridge—from which the design principles for the Bosphorus bridge were taken. Both bridges have been designed by a London firm of consulting engineers, Freeman, Fox and Partners, who were appointed by the Turkish Government as the Bosphorus bridge consulting engineers in January 1968 [see 29.3.68 p. 349]. They will also supervise the construction of the new bridge. The Cleveland company was associated with the construction of the Auckland Harbour bridge in New Zealand and is one of two firms currently engaged in building the longest centre-span girder bridge in the world, at Rio de Janeiro, Brazil

The Bridge

The new bridge, which is due to be completed in 1973, will have the fourth longest span in the world and the longest in Europe Revised specifications provide for an overall length of 5,320 feet (1,620 metres) with a centre span of 3,523 feet (1,076 metres). It will have a clear height of 210 feet (64 metres) above the Bosphorus so as not to interfere with the movement of ships passing through the straits between the Mediterranean and the Black Sea

The main purposes of the bridge, which will carry four lanes of motor traffic and two pedestrian lanes, are, firstly, to ease congestion in Istanbul on the European side of the Bosphorus, by making it easier for more people to live at Üsküdar (Scutari) on the Asiatic side where land is more plentiful and cheaper, and, secondly, to allow further development of the industrial and commercial activities of the Istanbul area At the present time, 14 ferry boats ply the Bosphorus, carrying some 12,000 vehicles a day The whole project when completed will include a further 3,100 foot (950 metres) bridge across the Golden Horn and over 11½ miles (19 kilometres) of approach roads linking the built-up areas on both sides of the Bosphorus and connecting with the main highways westward into Europe and eastwards through Anatolia to Iran and Syria. When it opens in 1973 the bridge is expected to carry about 8 million vehicles in the first year—more than double the number that at present cross by ferry.

The total cost of the project is estimated at £77 million Britain, the Federal Republic of Germany, France, Italy, Japan and the European Investment Bank are together providing Turkey with long-term, low-interest credits totalling over £31 million, mainly to provide the necessary foreign exchange the British contribution to this is £3 5 million, which complements an earlier loan of £275,000 to meet the costs of the British consulting engineers who designed the bridge.

BRITISH AID TO TURKEY

Since 1963 Turkey has been able to plan her economic growth with the backing of annual pledges of aid from 14 countries, all members of the Organisation for Economic Co-operation and Development (OECD), who form a consortium for this purpose By 1969 British commitments to Turkey through OECD totalled nearly £44 million, not including bilateral technical assistance averaging £150,000 a year and assistance which Turkey receives as Britain's contributions to development under the Central Treaty Organisation (CENTO).

Although Turkey's recent economic growth has been impressive over the period of its two successive five-year plans (1963-67 and 1968-72), with gross national product growing at a rate of between 7 and 8 per cent per annum, Turkey has a continuing balance of payments problem. To modernise her economy Turkey needs to import equipment and raw materials, while her earnings of foreign exchange are still largely dependent on exports of agricultural

produce, remittances from Turkish workers abroad and, more recently, tourism. In 1968 the 'visible' trade deficit amounted to some £114 million, to which had to be added the strain of servicing foreign debt; this deficit could only partially be offset by 'invisible' earnings. The OECD consortium arrangements, in which Britain has played a full part, have been designed by moratoriums on interest payments and capital repayments to reduce the debt burden and to close the gap on current account Since 1966, British loans provided both for the purchase of essential goods in Britain and for specific projects in Turkey have been on interest-free terms

Examples of 'project' loans by Britain, are the £3 million provided in 1965 and 1966 for the construction of two factories within the petrochemical complex at Izmit for the production of polyethylene and polyvinyl chloride (PVC), together with a further loan of £1 43 million in 1969 for the expansion of the polyethylene plant, £1 58 million allocated to the erection of a steel pipe plant near Ankara £1 million to aid the importation of buses to improve municipal transport at Istanbul, and £100,000 for specialised flight control equipment at Istanbul airport British technical assistance has provided expert services and special equipment in the Middle East Technical University, Ankara, and for rail, road and air transport and harbour facilities, as well as various kinds of training in Britain

During 1969 apart from the project loans, Britain provided loans totalling £3 5 million for the purchase from Britain of essential goods

Anglo-Turkish Trade

Britain is one of Turkey's major trading partners taking 8 per cent of Turkey's exports and providing some 11 per cent of its imports in 1968 Britain's share of the Turkish market was second only to that of the Federal Republic of Germany In 1968 Britain exported goods valued at £34 1 million to Turkey and imported goods valued at £17 million

Recent British sales include 4,000 engines and components for Turkey's first motor car, the Anadol saloon, designed and developed by the British Reliant company, and an order obtained by Imperial Chemical Industries' agricultural division for 35,000 tons of ammonium sulphate fertiliser, worth £500,000 In June 1969 Massey-Ferguson group announced that it was investing nearly £20 million in building factories to manufacture annually in Turkey 20,000 Massey-Ferguson tractors, 50,000 Perkins diesel engines and 24,000 Eaton, Yale and Towne differentials and gearboxes The site for the factories on the Sea of Marmora, was inaugurated by the Turkish Prime Minister, Mr Demirel, on 2nd July 1969

IMF South African Gold Agreement

A new procedure for the sale of South African gold to the International Monetary Fund (IMF) was announced on 31st December 1969 in which the fund agreed in principle to buy gold from South Africa when the free market price falls to $35 an ounce or below The level of these sales will be regulated by a formula based on South African foreign exchange needs

Relevant extracts from the IMF communique read as follows

'South Africa may offer to sell gold to the fund when the market price of gold falls to $35 per fine ounce or below in amounts necessary to meet current foreign exchange needs during any such period. Further, South Africa may sell gold to the fund regardless of the price in the private market to the extent

that South Africa has a need for foreign exchange over a semi-annual period beyond the need that can be satisfied by the sale of all current new gold production in the private market.'

It has also been agreed that 'South Africa may offer to sell gold up to $35 million (£14·5 million) quarterly beginning 1st January 1970 from the stock of gold it held on 17th March 1968, reduced by sales it made to monetary authorities (including fund related transactions) after that date and also by such future sales to monetary authorities as it may make to finance deficits or as a result of fund related transactions.

'South Africa has also stated that when selling gold other than in the private market it intends in practice normally to offer such gold to the fund. The fund took the decision to purchase gold from South Africa with the understanding that members generally do not intend to initiate gold purchases directly from South Africa.'

The question of the appropriate handling of newly mined gold within the framework of the two-tier market had been under official discussion for some time and the new settlement has been welcomed by most members of the IMF board, including the British director, as promising a practical solution to some of the difficulties which led to the closure of the London gold pool in March 1968 [see 29.3.68 p. 332] and the subsequent operation of the then separated monetary and free gold markets.

Social Security

NATIONAL SUPERANNUATION AND SOCIAL INSURANCE BILL

The National Superannuation and Social Insurance Bill, which will provide for a new system of earnings-related pensions and other benefits,[1] was given a second reading in the House of Commons on 19th January (*Hansard*, cols. 52-178). Opening the debate, Mr Richard Crossman, Secretary of State for Social Services, said that the Bill dealt with the greatest social problem of domestic politics in the second half of the twentieth century how to abolish poverty in old age Today, said Mr Crossman, poverty was concentrated on those least able to protect themselves, the chronic sick, the widows and deserted wives, the unmarried mothers and, above all, the 14 per cent of the population over pension age Although the number of occupational pension schemes had increased there were still many people who had no prospect of sharing in any genuine security for old age

Retirement Pensions

Mr Crossman said that out of 1 million employers only 56,000 provided occupational schemes, although just over half of insured workers were members of occupational schemes only a minority of the schemes provided two-thirds or half pay on retirement There were important industries - for example, building and agriculture where there was virtually no pension provision. Only a quarter of working women were members of occupational schemes and such schemes generally provided inadequately for widows It had been estimated, said Mr Crossman, that by the turn of the century, there would still be a third of pensioner households receiving no occupational pension.

Mr Crossman said that the new scheme, with a simple percentage deduction from earnings and a single benefit formula, was far less complicated than the mixture of flat-rate and graded element of the existing scheme He had been asked why the pension formula was not based on pay on retirement but on a whole-life basis this was because, for certain workers, their maximum earnings were in middle age and a final salary pension formula would bear no relation to their total earnings. Moreover, the formula was weighted in favour of the lower paid worker a single man earning £36 a week (the ceiling) will receive in return for his 6¾ per cent contribution a pension of 37 per cent of earnings, whereas the man earning £15 will get 53 per cent of earnings.

Mr Crossman then discussed the question of 'abatement' [see 21.11.69 p 1044] or partial contracting out of the earnings-related scheme by those in occupational schemes He said that Britain was the first country to make such an arrangement this was done because the Government believed that a high

[1] For summaries of the three White Papers describing the new scheme (Cmnd 3883, Cmnd 4124 and Cmnd 4195) see 14 2 69 p. 185, 15 8 69 p 731 and 21 11 69 p 1044

evel of pensions for all could only be provided by a partnership between occupational and State schemes.

Contributions

Mr. Crossman pointed out that the Bill departed slightly from the contribution rates set out in the first White Paper. The employer's contribution would be 7 per cent while the employee's would remain at 6¾ per cent. This was to allow for an increase in the employer's share of the National Health Service contribution [see 16.1.70 p 83]. People earning less than £25 per week would pay a lower proportion of their earnings than at present and would receive greatly improved benefits. For a man earning £25, the contribution would increase from 6·2 per cent to 6¾ per cent.

Constant Attendance Allowance

Mr. Crossman referred to the new provision of a constant attendance allowance for the seriously disabled not already eligible for such an allowance under the industrial injuries or war pensions schemes He said that about 50,000 people, including housewives and children, were expected to qualify for this allowance at the outset and an attendance allowance board would be set up to give guidance on the medical aspects of claims

Preservation of Pension Rights

One of the most controversial problems in connection with the Bill, said Mr. Crossman, was preservation of pension rights Although the State pension was completely transferable however often a person changed jobs, this was not the case with the private schemes Sixty per cent of members had no rights to their accrued benefits on change of employment and for less than one in ten were accrued pension rights preserved on leaving one employment for another But it had proved impossible to make pension rights fully transferable because of the diversity of schemes. The best that could be achieved was the preservation of rights: as a man moved from one employer to another he would freeze his pension.

Adjustments for Inflation

The Bill contained a vital benefit for existing pensioners, said Mr Crossman It provided a guarantee that the pension should be made inflation proof with a statutory obligation on the Government to review the level of pensions every two years. This would put a long-overdue reform on the statute book

Opposition View

Lord Balniel, Conservative Member of Parliament for Hertford, said that all political parties agreed that the present system of financing social security was inadequate and that an earnings-related scheme was more appropriate But he considered that the Bill failed to place emphasis where the need was greatest. The position of the existing elderly would worsen relative to everybody else. There was built-in discrimination against the elderly in favour of the young Young people were promised something new this amounted to a long-range, large-scale promissory note. The Opposition believed that it was the prime task of the State to provide basic security in old age as substantial as the country could afford and that additional care could best, but not exclusively, be provided by occupational schemes. People should be able fully to contract out of the State scheme into private schemes. Everybody should have the opportunity of an earnings-related scheme but should be free to choose whether it was the State scheme, a private occupational scheme or a public service pension.

Lord Balniel said that the Bill departed from the principle of concentrating help where it was most needed, by providing bigger benefits for the higher income groups. It was not logical to tie an entire earnings-related system to the cost of living. The Bill would also damage the future growth of savings, and some occupational schemes would be cut back. The decision to make married women in employment pay the full contribution would be followed by wage demands, he said

But the Opposition welcomed, continued Lord Balniel, the improved arrangements for younger widows, the improved benefits for the long-term sick or disabled and the attendance allowance for the most seriously disabled. These were good things to achieve. The Opposition [if returned to power after the next general election] would implement these proposals. But instead of the new pensions arrangements they would encourage the growth and quality of public service and occupational schemes so that more young people could rely on them to provide security additional to that provided by the State The basic State pension would be flat-rate and there would be a reserve earnings-related scheme for those whose employers were not prepared or able to meet the requirements of a contracted out occupational scheme But the maximum encouragement would be given to occupational schemes and personal choice would be increased. The State earnings-related scheme would be designed to fill in the gaps in occupational pension provisions

New Towns

REPORTS FOR 1968-69

The reports of the development corporations of 17 new towns in England and Wales and five in Scotland, and the seventh annual report of the Commission for the New Towns for 1968-69 were published recently [1]

Reports for three of the most recently designated new towns, Northampton, Peterborough and Newtown, mid-Wales, are included for the first time, as is also a report for Telford new town, the name chosen to denote the expanded area of what was originally known as Dawley new town. Two of the first new towns to be designated, Harlow and East Kilbride, celebrated their twenty-first anniversaries during the year

Industrial and Commercial Development

While the efforts of some new towns to attract industrial and commercial development in their areas have undoubtedly been affected by the economic restraint of the past year, others have proved more successful

East Kilbride reports that it has now provided and let, or sold, more than four million square feet of factory floor space since designation, including a quarter of a million square feet in the year under review. In addition one of the biggest single industrial developments so far undertaken in the town has been

[1] The reports are contained, respectively, in three publications as follows

Reports of the Development Corporations, for the year ended 31st March 1969 (HMSO, 50s). The new towns included are Aycliffe, Basildon Bracknell, Corby, Cwmbran, Harlow, Milton Keynes, Newtown Northampton, Peterborough, Peterlee, Redditch Runcorn, Skelmersdale, Stevenage and Washington

Reports of the Cumbernauld, East Kilbride, Glenrothes Irvine and Livingston Development Corporations for the year ended 31st March 1969 (HMSO, 22s 6d)

Report of the Commission for the New Towns, for the year ended 31st March 1969 (HMSO 9s 6d) The commission has responsibility for Crawley Hatfield Hemel Hempstead and Welwyn Garden City

negotiated with Rolls-Royce Ltd., for construction for sale to the company of a £2 million computerised warehouse and office block.

Milton Keynes, whose master plan was still in preparation, already reports a large number of industrial inquiries about sites available. In March 1969 the Open University [see 15.8.69 p. 734] announced that it was to site its headquarters in the new city: work was beginning immediately.

Newtown, mid-Wales, has completed negotiations to supply a 30,000 sq. ft. factory, which will provide jobs eventually for 120 people. In addition it has embarked on the building of two smaller factories for sale.

Peterlee is planning the growth of a science community by attempting to attract investment in a research institute and a computer base to serve the needs of the north-east. International Business Machines Ltd has already shown interest in the project, and the corporation has been pursuing contacts with electronics and pharmaceutical companies in the United States

Housing

Most corporations made efforts to follow the directive of the Minister of Housing and Local Government asking them to increase the proportion of owner occupied houses in the new towns But many feel that it may not be easy to reach the Minister's target of 50 per cent owner occupation in the short run. Tenants cannot always afford the substantial rise in weekly outlay which results from a change from paying rent to repaying mortgage charges on a house sold to them at market value The Commission for the New Towns feels that it cannot offer too many of its tenanted houses for sale without prejudicing the sales of its new houses, two-thirds of which are to be built by private enterprise.

At Corby the corporation is carrying out a survey of tenants' views on the advantages and disadvantages of high density housing

At Stevenage the corporation is offering to instal central heating for its tenants in return for increased rent payments

Provision of Amenities

Parking

The commission reports the growing parking problem caused by the increase of car ownership in the new towns In the older housing developments where inadequate parking provision was made street parking is now seriously affecting the flow of traffic In new housing schemes garage or parking space is provided on the basis of 1½ to 2 cars per dwelling Yet even to achieve one garage per house in the older areas would mean building some 18,000 additional garages or car spaces in the commission's four towns It has carried out a trial scheme of providing hardstandings in front gardens in one of the worst affected streets in Welwyn Garden City, and the success of this experiment has led to its extension to other parts.

The increase in car ownership in the new towns is well illustrated by a parking survey carried out in the Crawley industrial area In 1956 for every 100 employees there were only ten cars parked, but by 1968 this figure had risen to 31.

Education

Redditch's new secondary school is to pioneer dual-use facilities in the town by providing a sports hall, changing rooms, playing areas and a social block for educational and general use by the public

A growing problem for many of the new towns is the lack of nursery provision for the young children of working mothers The Basildon corporation is trying to solve this problem by encouraging the development of voluntarily

run pre-school playgroups, and also by encouraging private enterprise to set up *crèches* which will accommodate young children for short or long periods.

Other Amenities

New civic centres at two Scottish new towns, Glenrothes and East Kilbride, were opened during this year; the one at East Kilbride, which forms part of the new town centre, was visited by Princess Margaret in November 1968.

New arts and sports centres are planned for several new towns Stevenage is planning a purpose-built arts centre, Redditch a major entertainments complex, Peterlee a centre for the arts and humanities, and Harlow is about to embark on a £430,000 combined theatre and arts centre, with the help of grants from the Arts Council, the British Film Institute, and the Harlow corporation.

At Skelmersdale construction work has started on the site of a temporary open market, which is expected to operate on two afternoons a week Its object is to ensure that the cost of living in the new town is competitive with larger centres until the first stage of the new town centre has been completed

During the summer the Skelmersdale corporation mobilised some 80 young people aged 12 to 15 in constructing bridges and paths and clearing the nearby countryside of accumulated debris Working holidays under canvas, which were for many children their only holiday, lasted for one to six weeks. Under the direction of the corporation's landscape section, nearly a mile of footpath and seven bridges over the streams were completed During the year a riverside walk, at Harlow, won a civic trust award

Social Survey

A social survey of 10 per cent of the inhabitants of Cumbernauld new town produced the following findings (1) 40 per cent of households already had relatives living in the town, (2) a very high proportion of Cumbernauld residents were in skilled or white collar occupations, (3) a considerably higher proportion of residents owned cars and telephones than was average for Scotland as a whole, (4) 84 per cent of tenants expressed themselves satisfied with their houses, and 75 per cent stated that they had bettered themselves by moving to the new town The general impression was of a relatively friendly community Among the unfavourable comments, the most frequent was that of the lack of entertainment and the next largest group concerned the cost of living which many compared as unfavourable with the cost of living in Glasgow

Finance

The reports show that Harlow and Stevenage, together with the Commission for the New Towns, had surpluses in 1968-69 Deficits were incurred by the other new towns

BBC's New Radio Network Plans

The British Broadcasting Corporation (BBC) has announced the new pattern of network radio, which was first outlined in its policy statement, ***Broadcasting in the Seventies*** [see 15 8 69 pp 736-41] in July 1969

Purpose of the Changes

Explaining the new network structure which will come into force on 4th April, Mr Gerard Mansell, the BBC's Director of Programmes, Radio, said that it was intended, primarily, to further the rationalisation of radio services,

already implicit in the introduction in 1967 of the titles Radio 1, 2, 3 and 4 [see 18.8.67 p. 886], to clarify the character of each network and thus to make it easier for listeners to find the type of programme they were looking for None of the proposed changes carried the implication that the BBC was in any way departing from its belief that it must seek to provide balanced radio services of the highest quality and that it had an obligation to minorities as well as to majorities; they were based on a recognition that today's listener was highly selective in his choice of programmes and tended to range right across the networks in his search for what he wanted. The new networks would include much more serious music than ever before and almost as much drama, talks, documentaries and other programmes of a cultural or broadly educative and informal character. They would be providing the same balanced service as in the past, Mr. Mansell concluded, but with a more clearly defined emphasis on the principal functions of each network.

New Network Structure

Radio 1, under the BBC's plans, becomes more clearly and recognisably a 'pop' channel, and Radio 2 becomes a light music channel, with much of its output of light entertainment moving to Radio 4. Radio 2 also becomes BBC Radio's *principal channel for the coverage of sport* Radio 3, *already an all-*music service in the daytime, takes over most of Radio 4's orchestral and chamber music in the evening, and in return Radio 4 takes over from the Third Programme its output of 'mainstream' speech—that is, plays, documentaries and discussions of depth and distinction. In its evening programme Radio 3 retains the Third Programme's function of cultural leadership and patronage in drama, poetry, the arts, literature, philosophy and science Radio 4, at present almost exclusively a speech service in the daytime, will extend this characteristic to the evening. With its expanded coverage of news and current affairs it becomes the channel for up-to-the-minute news and informed comment, as well as providing the full range of programmes which offer a deeper study of major issues in contemporary affairs

For 1970-71 the BBC plans to broadcast 5,310 hours of serious music, compared with 4,970 in the year up to 31st March 1968, and 1,222 hours of drama, compared with 1,285 hours

External Affairs and Defence

Nigeria. Statement by the Prime Minister on the situation in Nigeria following the cessation of hostilities and on relief aid which is being made available by Britain.	*Hansard*, 19 1.70 cols 34-51
The New Hebrides. Fact Sheet on the Commonwealth	COI, R(DFS), 4634 69

Economic and Scientific Affairs

Persian Gulf and South-East Asia: British Aid The Minister of Overseas Development stated that to help overcome a shortage of technical skills in the Persian Gulf, the Government had contributed to the capital costs and provided staff for the establishment of a Gulf Technical College in Bahrain She also said £25 million had been provided to Malaysia and £50 million to Singapore as special aid [see 21.6.68 p. 587].	*Hansard*, 19.1 70 written answers cols 67-8
Jordan. British Aid. Exchange of Notes between Britain and Jordan concerning an interest-free development loan. Entered into force 13th October 1969	Cmnd. 4252 HMSO, 1s 3d
Customs and Excise. Sixtieth report of the Commissioners, for the year ended 31st March 1969	Cmnd. 4256 HMSO, 16s 6d
Pay and Conditions of Workers in the Milk Industry. Report by the Secretary of State for Employment and Productivity, January 1970.	Cmnd. 4267 HMSO, 9s 6d
Double Taxation Agreements of the United Kingdom, prepared by the Board of Inland Revenue. Complete texts of all the arrangements in force as at 1st January 1969.	HMSO, 120s (2 vols, not sold separately).
Study of the Capacity of the United Nations Development System, by Sir Robert Jackson. Document DP/5	U N, New York or Geneva Vol. 1 $1.00 Vol. 2 $6.50
Agriculture in Britain.	COI, RF P. 5639 69
Long-term Measures to Strengthen Britain's Economy.	COI, R. 5823 69

Social and Cultural Affairs

Development in Stonehouse, Lanarkshire. The Secretary of State for Scotland announced that Lanarkshire County Council was preparing a limited development plan amendment providing for an allocation of land for industry	*Hansard*, 21.1.70 cols. 499-500

and about 2,000 houses in the area of Stonehouse. The development (which would be subject to ministerial approval in the usual way) was envisaged as the first part of a larger project for a new community of about 120,000 people. The proposal was often described as a new town, but it was not the intention to have it carried out under new town powers.

Local Radio: Transmission. The Minister of Posts and Telecommunications announced that the British Broadcasting Corporation was being authorised to transmit local radio programmes on medium as well as on very high frequencies [see 28 9.69 p. 786].	*Hansard*, 19 1.70 written answers col. 69
Broadcasting. Observations by the Minister of Posts and Telecommunications, the British Broadcasting Corporation and the Independent Television Authority on the third report of the Estimates Committee, session 1968-69	Cmnd. 4259 HMSO, 1s 3d
Poland: Health Services Convention. Reciprocal arrangements came into force in December 1969.	Cmnd 4242 HMSO, 1s 3d
Export of Works of Art 1968-69. Sixteenth report of the reviewing committee appointed by the Chancellor of the Exchequer in December 1952.	Cmnd 4244 HMSO, 5s 6d
Report of the Commission for New Towns (E & W) for the year ended 31st March 1969 (see pp 125-7)	HMSO, 9s 6d
Reports of the Development Corporations (E & W) for the year ended 31st March 1969 (see pp 125-7)	HMSO, 50s
Reports of the Development Corporations (Scotland) for the year ended 31st March 1969 (see pp 125-7)	HMSO, 22s 6d
Hospital Building in Great Britain. Minutes of evidence taken before Estimates Committee (Sub-Committee B) 8th December 1969.	HMSO, 4s
People with Epilepsy Report of the joint sub-committee of the Standing Medical Advisory Committee and the Advisory Committee on Health and Welfare Services for Handicapped People The report says that medical science can now enable nearly all of the 300,000 people with epilepsy in England and Wales to lead normal lives For many the greatest handicap they encounter is prejudice.	HMSO, 7s
Sample Census 1966 (E & W) Migration Tables, Part I Statistics on movement within England and Wales and immigration into England and Wales	HMSO, 107s 6d
Housing Subsides. Fourth report from the Estimates Committee, session 1968-69, vol I	HMSO, 10s 6d
Export Control of Documents Green Paper reviewing regulations governing the export from Britain of manuscripts, documents and archives.	HMSO, 2s 6d
Health of the School Child 1966-68. Report of the Chief Medical Officer of the Department of Education and Science.	HMSO, 14s 6d
Guide to Social Security. A pocket guide to the social security system. Department of Health and Social Security.	HMSO, 1s

Demonstration Rig: Component-fixing Conventions. Design Note 3 by the Architects and Building Branch, Department of Education and Science.	DES, free
Cross'd with Adversity. The education of socially disadvantaged children in secondary schools. Schools Council Working Paper No. 27.	Evans/Methuen Educational, Montague House, Russell Square, London WC1 11s 3d
Children Apart. An account of autism in children, by Dr Lorna Wing. British Medical Association.	BMA, Tavistock Square, London WC1 1s 6d
Digest of Countryside Recreational Statistics 1969.	Countryside Commission, 1 Cambridge Gate, London NW1, free
Revised Classification of Feature Films The British Board of Film Censors has proposed a revised classification for the certification of feature films as follows ' X ' admitting people of not less than 18 years of age, ' AA ' permitting admission of people of not less than 14 years of age; ' A ' permitting the admission of people of not less than five years of age, whether accompanied or not, the letter ' A ' conveying a warning that a film in the category will contain some material that some parents might prefer their children not to see, ' U ' permitting the admission of any person not less than five years of age	Press release British Board of Film Censors, 3 Soho Square, London W1
Commonwealth Foundation Second progress report, November 1967 to June 1969	Marlborough House, Pall Mall, London SW1
Students from Other Countries in Universities in Britain 1968-69 Analysis of students by country, field of study, etc prepared by the Association of Commonwealth Universities (ACU)	ACU, 36 Gordon Square, London W1

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Local Government Reform in England

GOVERNMENT PROPOSALS

Plans to reorganise local government in England (outside London) into 56 new administrative areas were presented to Parliament on 5th February by Mr. Anthony Crosland, Secretary of State for Local Government and Regional Planning (*Hansard*, cols 430-42) in a White Paper *Reform of Local Government in England* (Cmnd 4276, HMSO, 4s) The Government broadly accepts the structure of local government proposed in the report of the Royal Commission on Local Government in England (the 'Redcliffe-Maud report') [see 20.6.69 pp. 531-4]. It endorses the commission's views on the advantages of single authorities responsible for all services in a particular area, but accepts that in certain actual or potential conurbations the requirements of land-use planning and transportation demand planning areas of a size and population much larger than are necessary for other services. The administrative areas it proposes are therefore of two types, unitary and two-tier metropolitan

On the question of provincial councils, the Government has decided to postpone any decision, pending the report of the Commission on the Constitution [see 28 2 69 p. 234] In the meantime it will take steps to develop co-operation between regional economic planning councils and groupings of local authorities for planning purposes, in order to ensure that the aims and policies are increasingly harmonised and that methods of planning at regional level are more securely based

Unitary Areas

With the exception of five large metropolitan areas, the Government proposes that local authority areas should combine urban and rural sectors and should be administered by single authorities responsible for all services. It has accepted 51 of the 58 unitary areas proposed by the Royal Commission as being broadly the right size and shape. 'However', the White Paper states, 'the Government do not exclude the possibility of joining certain of these areas together, if in the course of further consultation with the authorities concerned strong arguments for doing so should emerge.'

Metropolitan Areas

In five areas of concentrated population the functions of local administration would be shared by two types of authority, a metropolitan authority with responsibility for planning, transport, education, the police and overall housing policy, and metropolitan district councils whose concern would be the building and management of housing, the provision of the personal social services, and all other local authority services.

In making education the responsibility of the metropolitan authorities instead of the district authorities, the Government has not accepted the advice

of the Royal Commission on the grounds that 'in general, an authority which can command large resources, particularly in specialised manpower, can provide a more efficient education service'. This, the Government feels, is particularly true in relation to the provision of further and higher education. 'These forms of education make exceptional demands on the resources of the administering authority, and involve the provision of facilities which have wide implications for the "environmental services" of planning, transportation and development.' For this reason it considers that responsibility for education should be transferred to the metropolitan authorities.

In consequence the Government feels that metropolitan authorities, and not district authorities as recommended by the commission, should be the rating authorities in metropolitan areas, since they would be responsible for the bulk of expenditure.

Two new metropolitan areas (West Yorkshire and South Hampshire) are proposed in the White Paper, in addition to the three proposed by the Royal Commission (Merseyside, South-East Lancashire and North-East Cheshire and the West Midlands).

In West Yorkshire, the White Paper explains, there is a severe housing problem, an increasing pressure on land and a changing employment pattern which demand a single planning authority

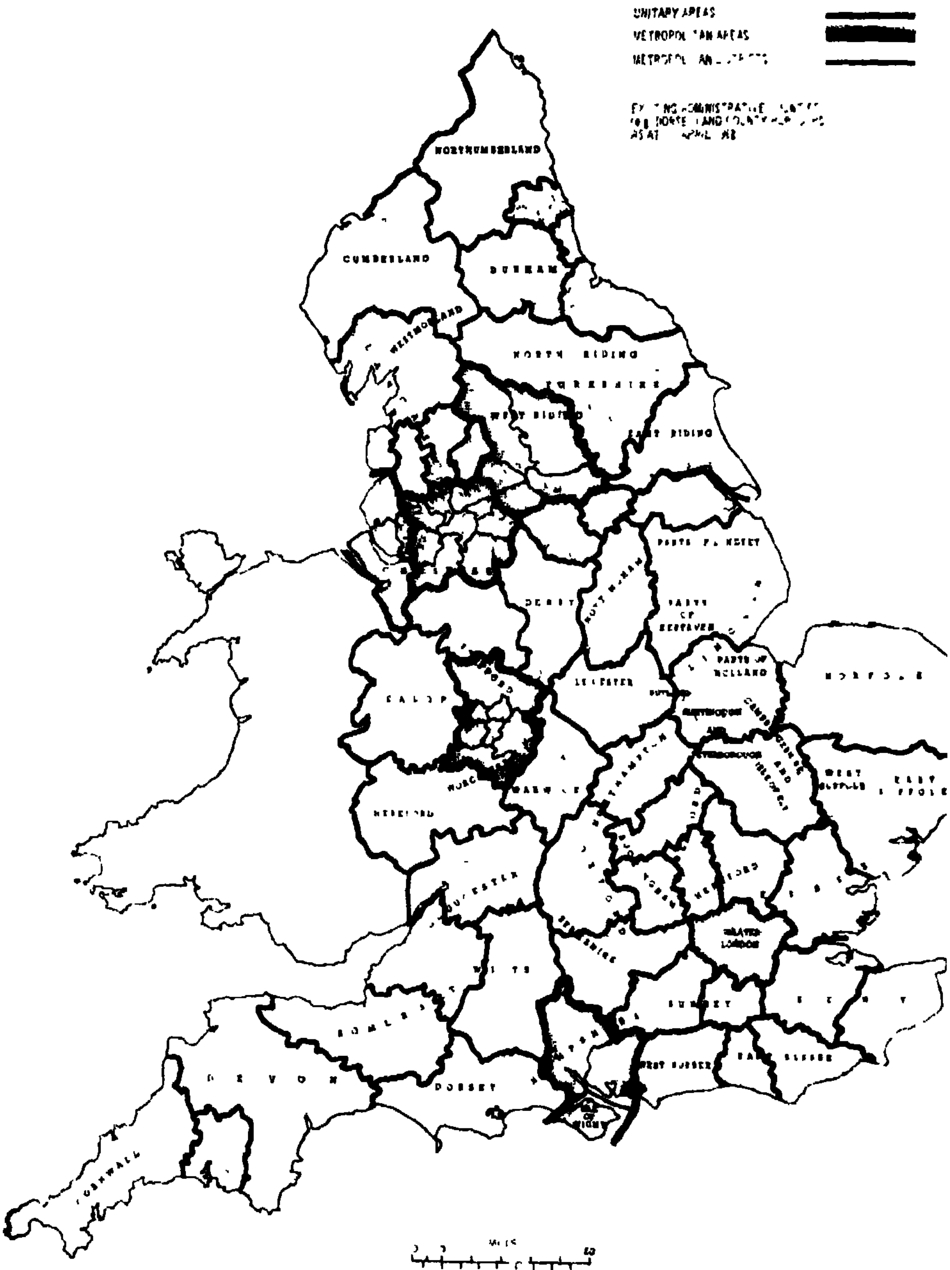
In South Hampshire population and industry have been expanding fast and are expected to continue to do so 'In view of the nature of the area and the size and speed of its development', the White Paper states, 'the Government believe that there should, from the outset of the new system, be a single authority with full executive responsibility for planning the development of the area as a whole.'

Local Councils

Below the level of the unitary, metropolitan and metropolitan district councils there would be a system of elected local councils They would play no part in the provision of major services, but would have powers to spend money on improving the amenities and convenience of their areas They would have the right to be consulted by the main authorities about proposals which particularly affect their areas, and the right of appointing members of school governing bodies and management committees of old people's homes In addition, the Government believes that members of local councils can play an important part on district committees to which the main local authorities will decentralise the administration of some of their services It proposes to examine in detail what range of local government functions would be suitable for decentralised committees of this kind 'What proportion of the committees should come from local councils is a matter for discussion' the White Paper states.

Initially, for practical reasons, local councils must be based on the areas of existing local authorities, but, the Government believes, new areas for local councils should be worked out as soon as possible after the major reorganisation It stresses that there should be no attempt to impose a uniform pattern of local councils. 'In general, there should be local councils throughout the whole of a unitary area. In metropolitan areas, the commission's proposal that there should be local councils where people want them may prove the best course' The White Paper welcomes the idea of neighbourhood or community councils 'It is common experience that local groups are increasingly springing up to protect or advance the interests of their communities Neighbourhood councils would reflect and articulate this growing strength of grass-roots opinion. They could keep the main authorities more closely in touch with local feeling, attract a new and different type of elected representative into local government and strengthen its democratic base.'

PROPOSED BOUNDARIES



Relations between Central and Local Government

The Government believes that reducing the number of local authorities should increase their freedom within the framework of national policies, while reducing the tasks now undertaken by central government in relation to local government. 'Much of central government's intervention more, perhaps, than is generally realised --consists of reconciling the proposals of different authorities and dividing between authorities that part of the nation's resources which is allotted to spending by local government. The extent of this intervention will automatically diminish with the reduction in the number of authorities.'

The Government proposes to give authorities increased freedom in their spending by replacing detailed financial control by control through programmes for the most important sectors of the major services, and by allowing a significant freedom of decision for local authorities in respect of the remaining services, by way of an unallocated margin of expenditure. It proposes also to reduce statutory controls over the internal administration of local authorities in such matters as the compulsory existence of particular committees, or the necessity of ministerial approval for the appointment of officers.

Taxation

Rates on property must remain the principal local tax for the new local authorities, the White Paper states. 'But the rating system is in need of modernisation to make it more generally acceptable, to reduce for example through an extension of the rebates system its regressive character, and to make it capable of sustaining its role as the main local tax in the years ahead.' The Government intends to set out its proposals, in more detail than the commission was able to do, in a Green Paper to be published later which will deal fully with controls, finance and taxation in local government.

Election and Constitution of Councils

The Government will discuss further the proposals of the Royal Commission that all councillors should retire together instead of a proportion each year as in some authorities at present, that authorities should be divided into single member divisions each returning one councillor and that elections for all the main authorities should be held on the same day throughout the country. It also intends to study the varying needs of the new authorities before coming to a view on any maximum number of councillors for the new councils.

The Government accepts the view of the Royal Commission that the councils of the new authorities should consist solely of elected members and that they should no longer include aldermen. (Aldermen are at present elected by councillors to hold office for six years. They form a quarter of the councils total membership.)

Payment of Councillors

Councillors should remain unpaid, for the present at any rate, the White Paper states. 'The traditional arguments for local government being unpaid carry great weight; and the Government would not propose a change until and unless public opinion crystallised or it became clear that the proposed new system was likely to impose a wholly new burden on the time of councillors.'

Investigation of Complaints

The Government proposes that Local Commissioners for Administration should be appointed to investigate complaints of maladministration in the sphere of local government. Their functions would be closely analogous to

those of the Parliamentary Commissioner, or 'Ombudsman'. Complaints from individuals would be conveyed to them through councillors and they would report back to the council, but the public would be entitled to know what they said and, where maladministration had been found, what action the council proposed. The White Paper suggests that ten or more commissioners may be needed, each working independently in a different part of the country. The administration of the system of local commissioners would be carried out by a body representative of, and drawing its funds from, local government.

The Timing of Reorganisation

A Bill to introduce the new system should be brought before Parliament in the 1971-72 session, the Government believes. The new authorities should be elected in 1973 and take over from the existing authorities as soon as possible thereafter. The Government is considering whether elections for the new local councils should be held shortly before the main authorities take over, or whether sitting councillors in existing boroughs, urban districts and parishes should be adopted initially for local councils until new elections are held, following the establishment of the new main authorities.

Negotiations will take place between now and the introduction of the legislation that will be required to implement the changes on details of boundary organisation for the new authorities and on the names to be chosen for them, which the Government considers should be a matter for local decision.

Right of Privacy

GOVERNMENT INQUIRY

A committee to consider whether legislation is needed to protect the right of privacy was proposed by the Secretary of State for the Home Department, Mr. James Callaghan, in the House of Commons on 23rd January (*Hansard*, col. 941). He explained that he had been led to the conclusion that there was a need for a law of privacy because of the use by some private detectives, newspapers and broadcasting authorities of certain listening and recording devices, the use of pre-employment checks, the activities of credit agencies, and the use of data banks and computers for storing personal information about individuals.

Private Member's Bill

Mr. Callaghan's remarks were made in the course of a debate on the second reading of a Right of Privacy Bill (later adjourned), introduced by Mr. Brian Walden, Labour Member of Parliament for Birmingham, All Saints. The Bill was based, Mr. Walden said, on a draft prepared by Justice, the British section of the International Commission of Jurists, in a report, *Privacy and the Law* (Stevens and Sons, 1970, 16s), modified because of representations made by the National Council for Civil Liberties. Mr. Callaghan said that he agreed with Mr. Walden over the need for some action, but he believed that before legislation was passed there should be a more detailed and technical investigation. One point of principle that should first be decided was whether the protection of privacy could best be secured by giving individuals the right of redress in the civil courts, or by evoking the sanctions of the criminal law, or by using a mixture of the two.

The Government had therefore decided, with the agreement of the Lord Chancellor, the Secretary of State for Scotland and the Home Secretary, to

set up a committee 'to consider whether legislation is needed to give further protection to the individual citizen and to commercial and industrial interests against intrusions into privacy by private persons and organisations or by companies, and to make recommendations'. The committee, which would be under the chairmanship of Mr. Kenneth Younger, Director of the Royal Institute of International Affairs at Chatham House, would comprise not only lawyers but also Members of Parliament and representatives of the Press, of broadcasting, of business, and of the trade unions.

Prime Minister's Visit to North America

The Prime Minister, Mr. Wilson, visited North America from 25th to 29th January. He first made a short visit to Canada, where he had talks with the Canadian Prime Minister, Mr. Trudeau, and his Cabinet and discussed the Commonwealth trade aspects of Britain's proposed entry into the European Economic Community and the situation in Nigeria. Mr. Wilson then flew to New York (26th January), where he addressed the Foundation on Automation and Employment, and held discussions with the United Nations Secretary-General.

Address in New York on UK Economy

Mr. Wilson began his address by stressing the change in Britain's economic position since he had last spoken to a New York audience in 1965. In 1964, he pointed out, the deficit on Britain's balance of payments was £806 million: the deficit on current account was £413 million, and that on capital account £393 million. ' In the six months April to September of last year . . . Britain's balance of payments was running in surplus overall, on capital and current account, at an annual rate of some £570 million, a turn-round of nearly £1,400 million a year compared with 1964. On current account alone, taking the visible trade figures which we have for the first three-quarters of 1969-70, and an estimate of £40 million a month surplus on invisible account for the fourth quarter of 1969, we have so far recorded a surplus on current account of £326 million. That represents a turn-round on current account of over £600 million over five years.'

Mr. Wilson went on to speak of the measures to which he ascribed this change. The basic policy had been to secure a swing, within the total national product, from production for home market consumption to exports. ' We have increased the proportion of our national product going to export from 19.5 per cent to 22.4 per cent. This has meant all the rigors of demand management, fiscal and monetary; stringent economies in Government expenditure; it has meant restraint . . . on incomes, wages, salaries, on prices and on the dividends paid out on the profits on production. It has meant telescoping into five years a long neglected process of industrial change which might well have occupied a generation, with all that has meant in changing the structure of industry, in sharpening the pace of closures in declining industries, in forcing the pace of modernisation and expansion in the new industries.' Mr. Wilson further described these changes in detail, discussing, for example, the management revolution partly brought about ' by a Government-sponsored process of amalgamation and reorganisation within many of our industries old and new. I have referred to shipbuilding, where reorganisation on an economic basis was made a condition of Government assistance towards new investment. But it has been true also in our newest industries, such as computers, electronics and heavy electrical equipment, Government-financed and Government-encouraged. Here may I say that, apart from the important political considerations, to my mind one of the biggest arguments for the greater European

economic integration would be the creation of a market large enough to sustain new industrial groupings capable of meeting the requirements of a market of 300 million people . . . European firms able to pledge to research and development the massive sums required by modern technology.'

The New 'Special Relationship'

The problems which faced nations were common problems, of which there was 'no sign of common solutions'. Referring to the 'special relationship' between the United Kingdom and the United States, the Prime Minister continued: 'The British people today offer you, the American people, a new special relationship. A special relationship for the 'seventies. And we invite you to agree that we should together approach the 'seventies in this spirit. A special relationship arising out of a joint determination to help each other, and to join with others in tackling the pressing urban and social problems we have in common with other advanced industrial countries. Problems deriving from the urban explosion of an expanding affluent society, the planning of our environment, the problem of housing our people, urban transport, the problems of pollution of the air we breathe, the waters in our lands and round our shores. Problems of law and order. The inherited problems of poverty and blight in urban housing, urban decay, slum schools. The problems of individual poverty, the under-privileged, of all ages, the long-term sick, the disabled, the mentally handicapped.

'Each of us has very special experience of these problems. And the special relationship of the 'seventies must mean sharing that experience, sharing that thinking, so that both of us can benefit. We have made a start. When President Nixon joined us at the Cabinet table at 10 Downing Street last February, it was precisely these problems—youth and violence, urban problems, industrial diseases—on which we were sharing our analysis and our thinking. And this has been followed up by two-way exchanges of Ministers and officials.

'So this week, it is not the organisation of power blocs we shall be discussing. It is the organisation of social power to mobilise social resources to overcome social evils. On some of these problems, we shall have a great deal to learn from your experience. At the same time we would want to show you what we have achieved by Government action to mobilise a community to tackle the problems of that community.' Mr. Wilson stressed that the environmental problem was not only to eradicate the inheritance of the past. 'It is so to plan the urban development of our own time, that it will be a source of pride and not of contempt to the generations that follow us'. If the two countries were sharing ideas on such problems as the pollution of the environment, social services, urban poverty, state education, hospitals, the aged, and the increasing manifestations of violence arising from social grievances. Mr. Wilson stated that 'it will be in no inward-looking or purely bilateral sense that we shall discuss the special relationship I have called for tonight, for unlike what some feared about our special relationship in the past, we seek not to be exclusive in our dealings but to join with others in a common endeavour to solve the common problems of human society.'

Talks with President Nixon

On 27th January Mr. Wilson flew to Washington where he was received by President Nixon at the White House. On the same day Mr. Wilson and Mr. Michael Stewart, Secretary of State for Foreign and Commonwealth Affairs, had talks with the President, and on the 28th they attended a full meeting of the National Security Council, the highest advisory body to the President on foreign policy and national security affairs. Mr. Wilson had previously met senior

economic officials; world economic affairs were among the subjects of discussion between Mr. Wilson and the President.

After the council meeting Mr. Wilson held a press conference, which indicated that there had been detailed discussions between himself and the President on some of the central international topics, such as the Middle East, Vietnam, Nigeria, and NATO and East-West relations. They also discussed social problems common to the two countries.

Questioned on the British attitude to the proposed European security conference, Mr. Wilson replied that it had been a subject of discussion. 'We would feel that a European security conference can be valuable if it is properly prepared, if it is capable of dealing with all the problems of European security, if it is attended by all the countries which have a responsibility and a part to play- and if . . it is going to make progress to European security and not just [be] a forum for shouting well-prepared slogans at one another. We have indicated our willingness to co-operate and work together for that kind of a conference. I discussed it with Mr Kosygin three years ago when he was in London.' Mr Wilson indicated that he envisaged permanent machinery 'for dealing with all the problems in Europe that we could solve, economic as well as political and military.' Balanced force reductions remained the policy of the NATO countries

Questioned on his attitude to a possible United States disengagement from Europe, Mr Wilson indicated that he felt the main point was that if progress was made towards 'the economic enlargement and economic strengthening of Europe . . the United States will be able to feel that Europe is becoming stronger, more articulate and more politically united. What I don't think anybody is taking about is a military disengagement in Europe and certainly I would believe that those who advocate a purely European defence capability, rather than a European contribution to the Alliance as a whole I believe that those who are talking still more dangerously of a European nuclear deterrent are not helping the solution of the problem' Mr Wilson indicated that the discussions on NATO had mainly been on the positive role the Alliance could play in improving East-West relations, 'moving from a position of strength to a position of *detente* in Europe; for example, more meaningful conversations with Eastern Europe, with the Soviet Union particularly, to relax tension and to try and get Europe into a more peaceful state of mind.'

Mr Wilson indicated that the Middle East had been fully discussed.

In the House of Commons on 29th January (*Hansard*, cols. 1713-17), Mr. Wilson described the visit He pointed out in reply to questions on the problem of arms supplies to the Middle East that in 1967 Britain had proposed a general international arms embargo to the area 'It was not taken up by any of the other countries concerned. None of them responded to it. Since then, it has been more widely felt -and this was my impression in New York rather than Washington— that agreement on the substantive issues will have to come before we can expect anything in the nature of a general system of arms control. Both the United States Government and we have made clear our position in relation to arms shipments which disturb quantitatively or qualitatively the arms balance in the Middle East.'

Replying to a question on the international monetary situation, Mr. Wilson said that there had been substantial progress, 'first, with regard to a world currency through the special drawing rights -we have to build on that and see how it works and second, in the settlement of a number of difficult issues; and there is much greater stabilisation now both as regards most international parities and also as regards what has happened to gold since the Washington conference of nearly two years ago'.

Britain and Europe

Since the summit meeting of Heads of State or Government of member countries of the European Community on 1st and 2nd December 1969 [see 2.1.70 pp. 6-9], there have been further initiatives to promote the development of the Community and to clear the way for its enlargement. Within the Community there has been considerable activity, both in working out measures to meet the termination of the Community's transition period - notably the negotiation of a new financing regulation—and in preparing the groundwork for negotiations with Britain and other applicants.

French Ministers have on several occasions since the summit meeting made clear that in principle France is in favour of British entry. The British application has been further discussed at a meeting of M. Jean Monnet's Action Committee for the United States of Europe on 15th and 16th December and at the Western European Union ministerial meeting in Brussels on 9th and 10th January. Reports compiled by the Confederation of British Industry and the Institute of Directors have recently been published in Britain, and both have taken a favourable view of the application to join the Community. In France, the Foreign Affairs Committee of the National Assembly published a report in November which stressed that British membership of the Community was in the best interests of both Europe and France.

Meanwhile, an invitation from the EEC Council of Ministers to Britain and eight other non-member European nations to consider outline plans for technological co-operation in several fields has met with a favourable reception.

ANGLO-FRENCH EXCHANGE OF VIEWS

Following The Hague summit meeting, on 5th December the French Finance Minister, M. Giscard d'Estaing, had talks in London with the Prime Minister, Mr. Wilson, the Chancellor of the Exchequer, Mr. Jenkins, and the Chancellor of the Duchy of Lancaster, Mr. Thomson. Press reports indicated that M. Giscard d'Estaing made clear during his visit that France did not consider the problems associated with British entry insoluble.

The French Foreign Minister, M. Schumann, visited London on 22nd and 23rd January for talks with the Prime Minister, the Secretary of State for Foreign and Commonwealth Affairs, Mr. Stewart, and the Leader of the Opposition, Mr. Heath.

On 23rd January, speaking at the twenty-fifth annual dinner of the Franco-British Society, M. Schumann said that he considered that the deadline for the commencement of negotiations with Britain which had been agreed at the summit meeting would be 'met without difficulty'. He said that both France and Britain wished to see a successful outcome to the negotiations. Noting that there was a long history of close links between France and Britain, the French Foreign Minister said that these ties had never been as strong as they were today. This was reflected in the rapid growth of Franco-British trade in recent years, and in the extent of British investment in France. On the conduct of negotiations with Britain, M. Schumann reiterated that France wished these to be conducted between the European Commission (representing the Community) and Britain, he said that Britain should understand that entry into the Community required acceptance both of the provisions of the Treaty of Rome and of the decisions which the Community had since taken.

Replying to M. Schumann, Mr. Stewart stated that Franco-British friendship was 'one essential pillar' in the future structure of Europe. Regarding Britain's policy in Europe, Mr. Stewart said: 'Our aim is to create a Europe strong enough to safeguard and to promote her own interests. We believe that

the enlargement of the Community in the proper manner is an essential step to that end. This is our aim; I believe it is the aim of all the members and all the applicants; and, what is more important and has not always been true, I believe all the members and applicants now accept that each one of them has this aim sincerely and firmly, and we approach each other with a renewed and vigorous confidence in each other's good faith and in the strength and virtue that we can create together.'

Referring to Britain's views on the present situation within the Community and the forthcoming negotiations, Mr. Stewart said: 'We, for our part, shall seek terms that are fair to all and are in the common interest. For example, we understand very well the importance to France of the Community's agricultural policy. I believe that France understands the importance to us of the principle that the financing of that policy should be fair and equitable. We recognise, too, that the aims and purposes of the Community do not stop short at those industrial, agricultural, commercial matters with which it has so far been so largely concerned. And those now in the Community will find that we are quite resolute to move at least as steadily forward the increasing integration of Europe as any member of the Community.'

The French Prime Minister, M. Chaban-Delmas, in answer to questions on 29th January, echoed M. Schumann's statement that in principle France was in favour of British entry, saying 'We have clearly indicated that we are favourable to the entry of Great Britain into the Common Market and M. Schumann went to London to say so in the clearest fashion It appears that what he said was well received We are now entering on the period of preparing to negotiate, which will in a few months' time result in the Six governments, bound as they are by the Rome Treaty, adopting a common position in regard to the negotiations in prospect. I say a common position and common negotiations. This means that naturally Great Britain will not be asked to conform completely overnight to all the regulations which govern the Common Market and which, as every Government can see, are inevitably constraining The negotiations will in fact be concerned with the adjustments which will probably be initially necessary It will be up to Great Britain to determine whether, following these negotiations, which will have been opened in the most constructive spirit, she intends to enter into a European endeavour -the Common Market with all that that carries with it by way of advantages and obligations. These problems will be settled all the more easily for having been put more clearly.'

COUNCIL OF MINISTERS DISCUSSES EEC FINANCE

Having set in motion the formulation of a common Community negotiating position with Britain (see 2 1 70 p 6), EEC Ministers held several further Council of Ministers meetings in December and January at which a number of decisions affecting the future internal development of the Community were taken

In the early hours of 22nd December, the finance and agriculture Ministers finally reached outline agreement on the future financing of the Community, after 60 hours of discussions. This agreement had been considered essential to the operation of the Community after the ending of the transition period on 31st December 1969. The Ministers decided that a system should be implemented whereby the member countries would pay into a 'Community revenue' fund part of the revenue from the value added tax (to be levied throughout the EEC after 1972), all customs duty on EEC imports from outside, and levies on food imports (which are already paid into the common farm fund). This fund would serve mainly to support the common farm policy but partly to finance the Community's institutions and social and industrial policies. The European

Parliament would be given more control over the Community's budget as the financial independence of the Community was increased. After 1975, following a period of transition which would commence on 1st January 1971, the Community would have its own revenue, being independent of national contributions.

Certain details of the agreement, particularly those regarding the definition of the budgetary powers of the European Parliament after 1975, were not fully discussed during the December Council meeting. In subsequent discussions between the Six some disagreement arose on this issue, and a Council of Ministers meeting in Brussels on 19th and 20th January again failed to reach agreement. Other questions which have not yet been resolved, and are likely to be on the agenda of Council meetings during the next few weeks, include the problem of farm surpluses and the larger issue of the structural reform of agriculture in the EEC. The Council of Ministers was to meet again on 5th and 6th February.

Commenting on the recent discussions, the President of the Council, M. Harmel, said on 20th January that he did not think that the Community's delay in reaching agreement on the details of the financial regulation would delay preparations for negotiations with Britain.

In a written answer to a question in the House of Commons on 2nd February (*Hansard*, cols. 3-4), Mr. Thomson said: "We have noted the decision of principle by the Six to enhance the role of the European Parliament." He drew attention to the British Government's view, which, he said, had been set out in the Anglo-Italian declaration signed at the conclusion of President Saragat's state visit to Britain in 1969 [see 23.5.69 pp. 467-8]: "Europe must be firmly based on democratic institutions and the European Communities should be sustained by an elected Parliament, as provided for in the Treaty of Rome."

ACTION COMMITTEE MEETING

The sixteenth session of M. Jean Monnet's Action Committee for the United States of Europe [see 22.11.68 p. 1089] was held in Bonn on 15th and 16th December 1969. Members of British political parties participating in the meeting included Mr. Stewart, who attended as the representative of the Labour Party, Sir Alec Douglas-Home, of the Conservative Party, and Mr. Jeremy Thorpe, the leader of the Liberal Party.

The Committee's Recommendations

The committee welcomed the results of The Hague summit meeting and the progress which had been made towards British entry. It called for consultations with Britain and further meetings of EEC Heads of State or Government in order to provide an "indispensable political impulse." The forthcoming negotiations should be concerned with essential issues. The three main problems to be solved in connection with British membership were the form of British participation in the Community's institutions, the duration of the transition arrangements (in particular as regards agriculture and the adoption of the common tariff) and the amount Britain should pay towards the financing of agriculture. The committee felt that these issues should be a matter for negotiation between Britain and the members of the EEC rather than a decision for the EEC alone.

The committee also called for closer co-ordination of economic policy within the Community, and looked to the eventual establishment of a European Reserve Fund and progress towards economic and monetary union. Reform of the European Social Fund was also advocated. A review of the question of political integration was planned for the next Action Committee meeting, which would probably take place in July 1970.

WESTERN EUROPEAN UNION COUNCIL MEETING

At a Ministerial Council meeting of the Western European Union (WEU), held in Brussels on 9th and 10th January, attended by Mr. Stewart and Mr. Thomson and Ministers from all other member nations except France [see 14.3.69 p. 244], political aspects of Britain's application for EEC membership were discussed. According to press reports the five Community Ministers who attended the meeting assured Britain that in any moves towards political co-operation in the EEC which might be made before British entry, the projected enlargement of the EEC would be taken into account.

Statements by Mr. Stewart at Press Conference

At a press conference on his arrival in Brussels, Mr. Stewart said 'There is a specially important task for WEU to do on political consultation, which we would like to be among all seven members of WEU. However, I believe we shall have at this meeting a valuable exchange of views.' Asked if he thought the Brussels meeting had a particular importance, Mr. Stewart said 'I think you can say that because, since the summit meeting at The Hague, we are able to look forward with good hope to the enlargement of the Community to bring in Britain and others in increased political integration as well as economic, but meanwhile it is important to get the process of political consultation in WEU going ahead and vigorously.'

On the question of political consultation, Mr. Stewart said 'We want to continue this as already planned in the WEU to see it continue to be a vigorous process of consultation It was decided among the Six that they would discuss the subject and we hope we shall be kept informed of what is said and that no binding decision will be taken on this before our entry to the Community'

In reply to another question about the absence of France at the WEU meeting, Mr Stewart said. 'We regret, like all members of WEU, the absence of France but we feel we must continue political consultations in their absence'

Asked when he expected that negotiations for British entry would begin, Mr. Stewart replied. 'I interpret what was said at the summit to mean that at least they would start at the middle of this year and might start earlier.'

Asked for the British Government's view on the Community's agricultural finance agreement, Mr. Stewart said. 'What has been arranged so far is not of such a nature as to put insuperable difficulties in the way of our entry But there still remains a good deal to be negotiated'

REPORTS ON BRITAIN'S APPLICATION

Three reports have recently been published on Britain's application for membership of the European Community

Confederation of British Industry

On 17th December 1969, the Confederation of British Industry (CBI) issued a report on the British application entitled *Britain in Europe—A Second Industrial Appraisal.*[1] The report was prepared by the CBI's Europe Steering

[1] In its first report, published in 1966, the CBI concluded·

(1) there would be a clear and progressive balance of advantage to British industry from membership of an enlarged European Economic Community;

(2) the Treaty of Rome and the Community's method of operation are acceptable given reasonable transitional arrangements; and

(3) entry should be negotiated as soon as possible.'

Committee and was a revision of its 1966 first report in the light of more recent developments, particularly those in the economic, monetary, trade and tariff, and agricultural spheres.

In the report the confederation considers that British entry is on balance desirable. Benefits would include the formation of a wider industrial market in Europe and the increased opportunity to Britain for improving the rate of economic growth and standard of living. A favourable outcome would depend upon the development of industrial and economic co-operation within an enlarged Community and the solution of the problem of agricultural arrangements on an equable basis. The confederation adds that. 'There may be doubts about the economic consequences in the short term of membership for the United Kingdom', but concludes that 'there can be no doubt that since Britain has an interest in the future shape of the European Community it should play a leading part in the building of it'

Paragraphs from the report, setting out the committee's conclusions are as follows (headings added).

Main Conclusions

The Committee, having closely considered the developments which have taken place since the publication of its report in December 1966 has concluded as follows

(1) It remains to the advantage both of British industry and of the industries of other European countries for a single trading and industrial area to be created in place of the two areas (the EEC and EFTA) at present co-existing

(2) The elimination of tariffs between the two areas is no longer (after the Kennedy Round) of such importance as the elimination of other barriers to trade and the application of measures of economic integration this is of particular importance in the rapidly developing technological field

(3) The enlargement of the European market through the progressive removal of trading barriers and integration of its industries, should provide great opportunities for industrial and commercial enterprise and in turn lead higher and more sustained rates of economic growth this should be of particular significance to Britain whose growth has lagged behind that of the EEC

(4) As we said in our 1966 report, the enlargement of the EEC to encompass the applicant countries with suitable arrangements also for the other members of EFTA would appear to provide the most appropriate means for achieving these objectives –subject to the two important considerations below

(5) The Committee considers it essential that the policies of the enlarged Community should be progressive and outward-looking, and that any restrictive arrangements (such as some features of the Common Agricultural Policy) should be progressively eliminated, the traditions and interests of Europe and especially of Britain in world trade make this a vital consideration

(6) The Committee also considers it essential that the initial burdens of membership should not be such as to place undue strain on the economies and living standards of the applicant countries It will in any case be necessary to establish transition periods during which the economies of both the applicant countries and the Community can be adapted to one another so as eventually to achieve arrangements which would be in the best common interest

Factors Considered

We have reached these conclusions on the basis of the facts we present in this report We have also had the benefit of close collaboration both with CEIF (The Council

of European Industrial Federations) and UNICE (The Association of the Industrial Federations of the Six), and have thus been able to take account of the views of industry in Europe.

The process of European integration inevitably has consequences for Britain whether or not she is a member of the Community. Because the long-term implications of British exclusion from participation in this process are unquantifiable we have not attempted any study of these. In our view, however, any judgment of the question of membership of the EEC must take account of the cumulative cost in terms of lost opportunities and continuing uncertainties of British exclusion, not only for Britain but for all the countries of Western Europe.

EEC trade, both internally and externally, has expanded more rapidly since 1966 than elsewhere and this has confirmed us in our earlier view that the markets of continental Europe, and especially of the EEC, a market with a high marginal propensity to import, are of vital importance to Britain The comparatively high rate of economic growth in the EEC is due, at least in part, to the creation of a single trading and industrial area; industry in Britain, other applicant countries and the EEC should therefore benefit from the enlargement of this area to embrace them all

Need for Further Integration

Since 1966, when we first examined the UK position in relation to the policies evolving within the EEC, there have been developments, some bringing the areas more closely together, but others increasing the difference, and these we have examined in some detail The major difficulties are, however, still within the fields of monetary and agricultural policy

The Kennedy Round cuts, when fully implemented, will reduce tariffs between the EEC and the other countries of Western Europe to a level at which other barriers to trade become of more significance Their removal is therefore important if competition is to be undistorted Whilst attempts are being made multilaterally and in various contexts to deal with these matters, progress can most readily be achieved within an integrated Community

Of even greater importance is the need to create a harmonised environment in which industry can operate effectively on a European scale This we consider is essential for several key industries based on the advanced technologies, such industries can no longer assemble on a purely national basis the resources, financial or human, that they require, but there is every prospect that even the most advanced and exigent among them can operate profitably in the setting of an enlarged Community throughout which uniform legal, fiscal and financial rules and regulations apply The enlarged market and uniform rules are hardly less essential for many other industries for which economies of scale in production, marketing, financing, etc, are of great importance If Western Europe is to compete effectively in world markets, industrial restructuring from a European, rather than a national, base is essential. British firms, through their efforts in recent years in research, development and reorganisation, are now in a strong position to make a substantial contribution to the wider arrangements on which future industrial progress in Europe depends.

An Outward-looking Europe

It is essential in our view that an enlarged EEC should be outward-looking and that industrial policies should not reflect the restrictive features of the Common Agricultural Policy, which we consider should be progressively modified.

Advantages to Britain

Our attempts to quantify the economic costs and benefits to be derived from membership of the EEC are qualified by the fact that figures are based on varying sets of assumptions, themselves derived from yet other assumptions. We have, however, considered it desirable to make estimates of these costs and benefits on the basis of information currently available.

Despite the uncertainties, we conclude that the opportunities offered by, and the stimulus of, free access to a large and fast-growing market should provide the necessary conditions for the achievement by the UK of a significantly faster and more sustained rate of growth than has been realised in the past 15 years This in turn should make possible an increase in living standards, as has been achieved in the EEC in recent years despite increases in the cost of living resulting from the adoption of the Community's agricultural and fiscal policies. Nevertheless this improvement in the UK's underlying rate of growth will take time to emerge and, in the short run, membership of the Community could, under certain assumptions, involve costs to the balance of payments (arising principally from the adoption of the Common Agricultural Policy) which could not be sustained—at least without internal deflationary policies which would obviate the achievement of a faster rate of growth in the future

It is only in negotiation that these critical issues can be resolved

Institute of Directors

A further assessment of the effect on British industry of membership of the EEC was published in December by the British Institute of Directors The pamphlet was entitled *The Balance Sheet of the Common Market*

The institute takes a favourable view of the prospect of British membership and concludes that as a whole an enlarged European Community market would bring faster economic growth to Britain In an analysis of the projected effects upon different sectors of British industry, the institute considers that there would be benefits in most sectors; few would be adversely affected Industries such as electronics, chemicals, aerospace, and chemical, mechanical and electronic engineering, where there was a high ratio of capital to output and where efficiency compared favourably with Western Europe, would derive most benefit. Many sectors of industry, including the textile, shipbuilding motor housebuilding and service industries, might derive moderate benefits or might on balance be unaffected However, there might be possible adverse effects on those industries which would lose tariff protection from European competitors those which might face an increase in price of raw materials and those whose overall costs might show a sharp rise. Within these categories were the scientific instrument, footwear, paper, food, confectionery and brewing industries

French Foreign Affairs Committee

The Foreign Affairs Committee of the French National Assembly[1] published on 19th November a report on the British application The committee takes the view that on political, economic and defence grounds, British entry is desirable, and stresses that the exclusion of Britain would be to the detriment of Europe and particularly of France. The committee comments that the entry of Britain would have advantages for the Community both in providing an economic balance to Germany and bringing to the Community the benefits of British technology. Looking to future co-operation, the committee also

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[1] The committee has a membership of 61 Deputies, proportionally representing the political parties in the Assembly.

points to the importance of sterling in a future European currency and of British financial institutions to a European capital market.

The committee states that France should recognise that the exclusion of Britain from the Community ' would create a rupture from which no one would profit and which would send Britain back into an American orbit from which it could never be free. Finally, it would cause a shock and disappointment to some of our partners, which would permanently weaken the Community. The idea of European independence would be removed even further from reality.'

EUROPEAN TECHNICAL CO-OPERATION

On 18th November, the British Government accepted an invitation from the EEC to take part in talks on European technological co-operating. Eight other countries Ireland, Denmark, Norway, Austria, Sweden, Switzerland, Spain and Portugal have also accepted the invitation

Meeting on 28th October in Luxembourg, Science Ministers of the Community had agreed to invite the nine non-member countries to examine the technical and financial problems involved in further European technological co-operation as suggested by the Community's Aigrain Committee, and had invited them to comment on the Aigrain report (The report outlines about 70 possible projects for co-operation, proposed under the general headings of data processing, telecommunications, metallurgy, transport, oceanography, meteorology and environmental control)

In a letter of reply to the President of the EEC Council of Ministers, Mr Stewart wrote

' Thank you for your letter of 4th November inviting Her Majesty's Government to participate in the proposals for European scientific and technological co-operation referred to in your letter Her Majesty's Government fully share the views you express about the importance of European co-operation in this field They have studied the proposals to which your letter relates and accept the invitation to take part in detailed consideration of the proposals, on the basis described in your fifth paragraph, at whatever mutually convenient level and time may be agreed There are no additional observations which Her Majesty's Government would wish to offer at this stage, except to endorse the hope expressed by the Member States that the area of co-operation covered by the present proposals may be extended in due course '

Anglo-French Helicopter Agreement

Following a meeting of the Anglo-French Joint Defence Projects Board in Paris on 24th November, it was announced that the Governments of Britain and France had authorised the production of the Sud-Aviation *SA 341 Gazelle* all-purpose lightweight helicopter, and the further joint development of the Westland *WG13* general utility helicopter Reviewing the progress of the Anglo-French Helicopter Package Agreement, signed in February 1967, the board reaffirmed its view that it provided the best method of fulfilling the future helicopter requirements of the two Governments, while both delegations noted the industrial links forged between the British and French helicopter industries which would strengthen their position in world markets.

In addition to the two helicopters mentioned above, the agreement also covers the joint development of the Sud-Aviation *SA 330 Puma* tactical transport helicopter, initial deliveries of which to the French army and for export have

already begun. The aircraft is due to enter service with the Royal Air Force in the autumn of 1970, and French and British requirements are for 130 and 40 helicopters respectively.

The results of recent official test flights on the *Gazelle*, the board said, had shown that technical difficulties had been overcome and that the aircraft would fully meet British and French requirements. Initial orders for the aircraft from the two Governments total 450, with deliveries scheduled to begin at the end of 1971. Strong interest in the *Puma* is also being shown overseas, and substantial export orders are in prospect.

In the case of the *WG13*, the delegations reviewed the encouraging progress already made and agreed to further development up to the launching of production of the naval variant in 1972. For budgetary reasons the French Government has decided not to proceed with the armed attack version, but both countries require the naval variant. The first prototype, powered by Rolls-Royce *BS 360* engines, is due to fly at the end of 1970

The Capacity of the UN Development System

SIR ROBERT JACKSON'S STUDY

A study by Sir Robert Jackson[1] of the capacity of the United Nations development system, published[2] by the United Nations on 1st December 1969, called for decisive action to give the system increased effectiveness. Its principal recommendation was that the system should be restructured to make the United Nations Development Programme (UNDP) the central directing and co-ordinating authority for UN development operations.

Welcoming the publication of the report, the British Minister of Overseas Development, Mrs. Hart, stated on 2nd December (*Hansard*, written answers, col 269) that it was being studied and that the British Government intended to take an active part in the international discussions on it in the Governing Council of the UNDP. On 26th January, at the end of its ninth session, at which there was a preliminary discussion of the report, the Governing Council adopted a consensus which stated that before the report was considered in detail at a special session in March the council wished to have at its disposal a document containing the comments and recommendations of the Administration of the UNDP and also the comments of the panel of consultants and the Inter-Agency Consultative Board.

The study was commissioned by the Governing Council, which consists of 37 member governments and includes both developed and developing countries and by the Inter-Agency Consultative Board, on which the UN and specialised agencies such as UNCTAD and UNIDO[3] are represented. Its purpose was to assess the capacity of the UN system to provide an effective programme of technical co-operation for developing countries, firstly, at the present level of resources, and secondly, on the assumption that those resources might be doubled within five years.

Sir Robert was encouraged to interpret his terms of reference liberally and to exercise independent and objective judgment. He was assisted by a small professional staff and advised by a panel of eight consultants from developed and developing countries and by a group of senior officials from the UN and the larger specialised agencies. The study took a year, during which Sir Robert and his staff undertook extensive consultations with over 100 governments, with international and bilateral agencies concerned with development in many countries, and with individuals, in order to obtain as wide a view as possible of the functioning of the UN development system.

The 600-page report may be considered as complementary to the report of the Commission on International Development, under the chairmanship of

[1] An Australian, Sir Robert Jackson has had over 20 years' experience in development work both inside and outside the United Nations. Special consultant to the Administrator of the UNDP since 1963 he has also advised the Governments of India and Pakistan on their development plans and has been closely associated with the Mekong project in South-East Asia and the Volta River project in Ghana.

[2] See 30 1 70 p 129

[3] The United Nations Conference on Trade and Development and the United Nations Industrial Development Organisation

Mr. Lester Pearson [see 7.11.69 p. 1004], which dealt with the broad perspective of development aid problems and which proposed that a conference of major donors and recipients should be held in 1970 to discuss the creation of improved machinery for the co-ordination of development assistance.

Foreword to the Report

The report was preceded by a foreword in which Sir Robert Jackson recorded his conviction that 'technical co-operation and pre-investment are one of the most effective ways of assisting the developing countries in achieving economic and social progress' and that 'the United Nations, despite its present limitations, has demonstrated conclusively that it is the ideal instrument for the job'. Over 90 developing countries would need technical co-operation for many years to come. The international system had shown that this was a field where it could operate effectively. The Pearson Report, the proposals for the second Development Decade and now the Capacity Study together provided governments with the basis for a full-scale review of their policies. An unprecedented opportunity was now offered to revitalise the UN development system.

The great obstacle to decisive action was not financial: it was 'the great inertia of this elaborate administrative structure', which over the years had grown into what was probably the most complex organisation in the world. It consisted of the administrative structure of the United Nations and its component parts, such as UNDP, UNICEF,[1] UNIDO and UNCTAD, and of about a dozen specialised agencies. In theory, it was under the control of about 30 separate governing bodies, much of whose work in dealing with administrative problems had in the past been self-defeating. At the headquarters level there was no central co-ordinating organisation which could exercise effective control. Below that level 'the administrative tentacles thrust downwards into an extraordinary complex of regional and sub-regional offices and finally extend into field offices in over 90 developing countries'. Who controlled this 'machine'? The evidence suggested that governments did not, and also that it was incapable of intelligently controlling itself, not because it lacked intelligent and capable officials, but because it was so organised that managerial direction was impossible. As a result, it was becoming slower and more unwieldy.

The political side of the UN was not unduly affected. The International Monetary Fund and the World Bank group were also largely untouched because they were independent and well-managed. The principal organisation affected was the UNDP, which did not operate itself but relied on the specialised agencies for the execution of its policies. A very large part of the machine could be brought under reasonable control by introducing systematic procedures for the effective management of development co-operation. This would require a strong central co-ordinating organisation. The Capacity Study described how this could be provided by restructuring the UNDP.

The changes involved would be resisted in many quarters, for example by senior officials committed to the present operation, by agencies which had developed their own sectoral policies, or by departmental ministers in the cabinets of member states who committed themselves to particular policies in the various governing bodies which might be in conflict with their governments' policies towards the UN as a whole.

Reformed Structure Required

The machine could be reformed without any amendment to the Charter of the United Nations or to the constitutions of the agencies. It was in the interest of all member states to carry on the technical co-operation work already success-

[1] United Nations Children's Fund

fully pioneered. Evidence showed that the 'Third World' wished to remain in effective partnership with UNDP. The job to be done by UNDP was, however, an operation in contrast to the usual function of a secretariat. Most governments had accepted this distinction in separating their nationalised industries from the permanent governmental service; 'they must now take another step forward and accept the need for the equivalent of an internationalised industry'.

Findings of the Report

The study is presented in two parts, the first, 'The Commissioner's Report', being a summary by Sir Robert Jackson of the main findings and recommendations, the second being the report proper. The principal points are as follows.

Lessons of Past Experience

Surveying the operation of the UN development system since its inception, Sir Robert found that difficulties had developed because the structure had not been designed for development co-operation on its present scale, because of the growth of the sectoral autonomy of the specialised agencies, and because of the reluctance of governments to endow the system with capital for the developing countries. Nevertheless the system had improvised a major international service for technical co-operation and pre-investment projects.

The lessons of the past two decades were that there was no such thing as 'instant development', that each country's problems demanded individual understanding and response, that many of the developing countries had made more progress with their planning and programming machinery than international organisations readily recognised, and that within the UN system there had been 'a long and unresolved struggle between those who advocated centralised direction of economic and social policies and operations, and those who favoured their decentralisation among the agencies. At present the balance of advantage leans strongly towards the latter position. This is perfectly compatible with the constitutional instruments, but not necessarily at all times with the needs of the Third World'.

Restrictions on Present Capacity

The study found that the two chief criticisms levelled at the UNDP—that it was slow and was not yet making the best use of its resources—were justified. Many officials wished to correct these shortcomings but were frustrated by the pressures on their time and by the intractability of the organisational structures.

Programming procedures did not reflect the real needs of the developing countries nor was there an integrated approach to the problems of each country. Too often projects were the results of 'salesmanship' on the part of agencies rather than a response to priority needs. The heavy operational burdens which had devolved on the specialised agencies were in some cases beyond the capacity of the latter, the result was delay and decline in quality. So much project evaluation was being attempted, much of it of doubtful quality, that it was a brake on the capacity of the system.

At headquarters level there was no central administrative machinery designed for the specific function of co-operating with the developing countries. There were difficulties in obtaining operational staff and key officials in the headquarters of UNDP, and some of the agencies with the largest programmes stated that the size and complexity of the present operation reduced their capacity to work effectively.

At field level capacity suffered because the UN development system was not represented in an integrated fashion; this led to diffuseness and the bewildering of governments.

Organisation at regional level was 'so convoluted that the UN development system will need to use it with great care if the capacity of the present operation is not to be prejudiced'.

Sir Robert was convinced that the system was over-extended in certain areas. He listed as major restrictions on its capacity: the failure to develop fully-effective techniques for transferring knowledge and experience, the slow application of science and technology to major problems, the difficulty of attracting manpower of adequate quality and experience, the absence of an effective system for the control of resources, the lack of an organisation specifically designed to co-operate with developing countries, the diffusion of responsibility throughout the system, and the reluctance of the agencies (with one or two exceptions) to contract outside the system. Perhaps the system was restricted most of all by the absence of a centrally-organised 'brain' to guide it

Meeting Future Needs

Many of the developing countries would continue to need technical co operation for the next 25 years at least Member states should therefore fashion a suitable UN instrument to do the job It was reassuring to find that in the preparatory work for the second Development Decade targets were being set based on the aggregates of individual national goals, the Capacity Study endorsed this 'country approach'. Sir Robert hoped that the developed countries would in the future do more to co-operate with the developing countries by way of capital transfers, debt relief and enlightened trade policies Meanwhile, effective technical co-operation could undoubtedly help the developing countries enormously. It would need to become more flexible and more readily available, and receptive to advances in science and technology and the means by which they could be adapted for developing countries It would need to concentrate on the training and well-being of people —the ultimate objective of all development At the same time, technical assistance could be effective only where there was a will to develop.

There was some recognition of the desirability of directing more funds for development co-operation through multilateral channels Discussions with representatives of many of the main donor countries had confirmed that further substantial funds would be channelled through the UNDP if its ability to handle increased resources effectively could be established

The country approach should be 'effectively reticulated into the global and regional objectives' in many fields evolved by the agencies under the impulse of member governments The opportunities for co-operation were endless.

Inadequacy of Past Methods

One way ahead was a familiar well-beaten track the *ad hoc* tinkering methods of the past This would limit the operation financed by UNDP to about $200-250 million annually The analysis of capacity and Sir Robert's personal observation over many years indicated that this amount of money was if anything, somewhat more than the system could handle effectively with its present procedures and administrative structures If governments were unwilling to reorganise the present system or considered the remedies proposed in the report impossible to apply, then 'in the interests of developing member states, any further funds should flow through other channels'

This was an intolerable prospect for the United Nations and for the developing countries. Member governments should therefore grasp the political nettles and adopt clear-cut policies which would realise the objectives to which they had already subscribed Among many important changes, 'this would require the transformation of UNDP into an effective operational organisation as the centre of the United Nations development system'.

The UNDP performed two services. The first was technical co-operation, the importance and scope of which was out of all proportion to its cost, which was modest, as it assisted governments to equip their countries with the skills, knowledge and receptivity to new ideas without which development, however well endowed, would not take root. The second, ' pre-investment ', was different in purpose; it aimed specifically at opening the way to investment. Because of this, it was of special interest to the World Bank group.

The Relationship with the World Bank

The responsibilities of the World Bank[1] in the field of development had recently been emphasised by its president who had expressed the view that it should during the next five years lend twice as much as during the past five years. With its great financial resources, the bank had a magnetic attraction for specialised agencies seeking to expand: strong links had already been established between the IBRD and FAO[2] and also UNESCO.[3] The president of the bank had recently decided to introduce country programming, which fitted in with the line of thought pursued in the Capacity Study. The Pearson Commission, also, had said that this approach was one of the keys to the successful administration of multilateral and bilateral assistance. It was essential that the UNDP, as the leader of the UN development system at country level, should also be a partner in any unified country approach. If the Pearson recommendations were accepted, the role of the IDA would change significantly and the respective responsibilities of UNDP and IDA would require precise definition.

If the supply of pre-investment studies were inadequate in relation to the World Bank's rate of expansion, then the bank would have no alternative but to prepare them itself. Again, the IBRD arrangements with FAO and UNESCO constituted a new pre-investment axis, even though much of their work might be based on UNDP-financed projects. If UNDP did not take the lead in integrated programming at country level of pre-investment needs to be met from the UN system, then the bank would have no option but to do so.

Sir Robert took the view that the World Bank group should be the chief arm of the UN system in the field of capital investment, while the UNDP should be the chief arm for basic technical co-operation and pre-investment studies. There was a real danger that the centre of gravity for pre-investment work could be pulled away from UNDP to IBRD. That would be a negation of one of the basic functions of the UNDP, which would become a junior partner of the World Bank in the pre-investment field.

A Major Role for the UNDP

The study described how the UNDP could be organised and equipped to undertake effectively a much larger and more responsible role This would entail the adoption of the following measures to ensure an integrated managerial approach at all levels of the UN development system and in all phases of the operation

(1) The introduction of a programming method which would enable all inputs from the system to be planned comprehensively at one time in a programme corresponding to the needs and duration of each country's national plan.

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[1] The World Bank group of institutions consists of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA) and the International Finance Corporation (IFC). The IDA provides capital for developing countries on easier terms than the IBRD. The IFC invests in industrial and commercial enterprises.

[2] Food and Agriculture Organisation.

[3] United Nations Economic and Social Council.

(2) Effective and prompt execution of approved projects, having recourse, as necessary, to all available methods and resources within and without the system.

(3) Controlled evaluation, designed to maintain the accountability of the Administrator of the UNDP for the use of all its resources, to measure results, to judge the effectiveness of the methods used, and to draw conclusions which might be applied with benefit to future operations

(4) Effective follow-up, conceived as an integral part of each project from the outset.

(5) The introduction of an efficient information system.

(6) Organisational reforms at country, regional and headquarters levels, designed to integrate the components of the system more closely These should combine greater control at the centre with maximum decentralisation to the field level, where the authority of the Resident Representative should be greatly strengthened.

(7) Proper staffing at all levels, involving far-reaching measures to attract and retain the best-qualified people available

(8) A financial framework designed to ensure the smooth running of the operation, through which the maximum possible amount of funds entrusted to the UN development system should be channelled. the head of the central organisation being held personally accountable for their use.

(9) Maximum use of all modern managerial and administrative aids and techniques to ensure an effective, expeditious and economical operation

(10) Maximum flexibility on the part of governments and the system alike to permit adaptability to changing circumstances and a speedy and effective response to new challenges and opportunities as they arose

The study outlined in detail how these ten precepts could be put into effect. If governments shirked the basic issues ' the present UN development system will remain plagued with all its bureaucratic impediments and may well become less effective. The developing countries will suffer The reputation and development of both UN and the agencies will be damaged at the very time that a unique opportunity exists to strengthen them as never before '

British Government's Attitude

The Parliamentary Secretary to the Ministry of Overseas Development, Mr Whitaker, said in the House of Commons on 27th January (*Hansard*, col 1433): ' The objective of the British Government should be the urgent consideration of how the system should be reorganised and streamlined so as to improve the quality of the aid it provides. The initial reaction of the British Government is one of broad agreement with the study's diagnosis, to the effect that the UN development system is at present under strain. . . ' He emphasised that in providing a vast range of technical assistance, the achievement of the organisations concerned—most of which had been designed for quite different purposes had been remarkable; and he drew attention to the fact that Sir Robert Jackson had stated publicly [in a letter to *The Times* on 12th December 1969] that 80 per cent of the UN work in this field was highly competent.

The Government agreed, however, that if the system was to grow, as they hoped, then it had to be reorganised and streamlined. Britain had a considerable stake in this as annual British contributions to the UN development system now amounted to over £7 million. ' We have not yet completed this study of all the study's 66 recommendations, but, in general, we think that most of them are on the right lines to achieve the objective of making the United Nations develop-

however, we may have to quarrel with one or two of them and suggest modifications of others.'

Mr. Whitaker continued: ' We agree in principle with the recommendations that the United Nations development system should continue to be pre-eminent in the field of technical assistance, including pre-investment studies, whilst the World Bank group should have pre-eminence in the field of capital investment. But we are very much in agreement with the study when it says that the closest co-operation between the two systems will be necessary. Indeed, it is vitally important that the issues at stake should not be regarded in any way as a struggle for power or a matter for demarcation disputes between say, the UNDP and the specialised agencies, or the UNDP and the IBRD. These bodies are the servants and not the masters of member governments of the United Nations, and hence it is essential that member governments speak with the same voice in the governing bodies of the different organisations of which they are members '

In conclusion, Mr. Whitaker said: ' We do not see the agencies as having a lesser role to play if the Jackson recommendations are adopted. We, as members of all the agencies as well as of the UNDP Governing Council, have an interest in ensuring that all parts of the system have a full role to play if the Jackson recommendations are adopted, and, given increased efficiency, we . . have on many occasions stated our determination that a higher proportion of our aid programme could and should be devoted to multilateral programmes.' The Government had ' already increased the proportion of the British programme in the multilateral direction from 10 to 15 per cent, and the implementation of the Jackson Report will obviously be a determining factor in deciding how much faster we can move in the same direction.'

Caribbean Development Bank

FIRST MEETING OF BOARD OF GOVERNORS

The inaugural meeting of the board of governors of the Caribbean Development Bank, which is to aid economic progress for the entire Commonwealth Caribbean, was held at Nassau in the Bahamas on 31st January. It was attended by the Governors or their representatives from the member countries in the Caribbean and from those outside the region They were from the region, Antigua, the Bahamas, Barbados, British Honduras, Dominica, Grenada, Guyana, Jamaica, St Kitts-Nevis-Anguilla, St Lucia, St. Vincent, Trinidad and Tobago, and, together as a single member, the small island Dependencies of Montserrat, the British Virgin Islands, the Cayman Islands, and the Turks and Caicos Islands, and from outside the region, Britain and Canada. Sir Arthur Lewis, who has served on several occasions as an economic adviser for the United Nations and is Chancellor of the University of Guyana, was elected president, while it was confirmed that the bank's headquarters will be in Bridgetown, Barbados.

Genesis of the Bank

The establishment of a bank to provide finance for private and public development in the Caribbean and to promote economic co-operation and integration was first suggested in 1966 and in the same year was one of the recommendations of the Tripartite Economic Survey of the Eastern Caribbean, which was sponsored jointly by the Governments of Canada, the United States and Britain. One of the main conclusions of the survey's report was that increased

regional economic co-operation was necessary to achieve maximum growth in the tourist industry and in other areas of economic activity. The report recommended the establishment of a regional development agency, including a regional development bank. Since then the regional development agency has been established by the Eastern Caribbean governments as an institution separate from the bank. In November 1966 at a conference in Antigua, also attended by representatives of Canada, the United States and Britain, the governments of the Commonwealth Caribbean decided to ask the United Nations Development Programme (UNDP) to study the possibility of establishing a regional development bank for the whole Commonwealth Caribbean After a UNDP report there were negotiations towards establishing a bank in which the Canadian and British Governments took part. These negotiations also had the active support of the US Government which, although not able to become a founder member, indicated that it was ready to contribute to the bank's special fund for ' soft-term ' financing. On 18th October 1969 an agreement establishing the Caribbean Development Bank was signed at Kingston, Jamaica, on behalf of all the probable members.

The bank's purpose is to contribute to the economic development of its member countries in the region and to promote their economic co-operation and integration. In addition it will provide an international source of development finance which has hitherto been unavailable to the small islands of the Commonwealth Caribbean which do not qualify for loans from the international financial institutions.

British Participation

Britain has been a supporter of the bank since the idea was first mooted On 21st January the House of Commons approved a resolution for the Ministry of Overseas Development to make payment of $US 10 million (£4,166,167) to the bank's capital stock (*Hansard*, cols 645-54) In addition to this contribution, Britain also proposes to provide $US 5 million over a five-year period for the special fund.

Swaziland

BRITISH AID

The Minister of Overseas Development, Mrs Judith Hart, told the House of Commons on 22nd January (*Hansard*, cols 668-9) that, in the course of discussions with a delegation from Swaziland during the week, the Government had agreed to make available to the Government of Swaziland a sum of £6,395,000 over the period 1970-73 Of this, £250,000 was a contribution to the Swaziland general revenue balance and the remainder would take the form of development aid, to be spent on projects to be jointly agreed by the Swaziland and British Governments. These would include land development projects resulting from consideration of the report of the Land Mission [see 17 1 69 p 73] which had visited Swaziland in February and March 1969 to examine the possibility of purchasing undeveloped land to be brought under private ownership for use by Swazis. Mrs. Hart added that the aid figure included a considerable sum for the kind of action on land which the Swaziland Government wished to take.

When Swaziland became independent in 1968, Britain agreed to continue financial aid on more or less the same terms as before Over the five years 1964-68 British aid amounted to over £14 million. Budgetary and economic aid

from Britain in 1969-70 was estimated at some £2·95 million. A loan was granted in 1969 for the construction and equipment of schools, and in October Britain agreed to finance the first stage of a survey to establish the extent of coal reserves in the bushveld and their suitability for use in power generation. The survey will also investigate the engineering and economic aspects of building a thermal power station.

ECONOMIC DEVELOPMENT

Swaziland, with a population of about 400,000 and an area of 6,705 square miles, is one of the smallest sovereign states in Africa. Entirely landlocked, it is bordered by Mozambique on the east and by the Republic of South Africa on its remaining sides.

It is primarily an agricultural country, with good potential for development. Progress has been made in forestry, irrigation and the agricultural processing industries; in recent years the exploitation of mineral wealth, chiefly asbestos, iron-ore and coal, has added greatly to the gross domestic product. Determined efforts are being made by the Government to establish new industries and to attract foreign investment. Important incentives are offered for this purpose and special rights are granted to new industries in their early years. In 1969 the Government of Swaziland launched a R23·1 *million*[1] Post Independence Development Plan for the years 1969-74. Road development is allocated the largest single amount by the plan, which provides for continued development of the economic infrastructure including transport, communications, water and power—by the Government, while looking to the private sector to spearhead economic development and to co-operate with the Government in training Swazis for skilled jobs and management posts. The plan made it clear that more government initiative was needed in agriculture than in other sectors, particularly in marketing measures and development of cattle holding grounds. Attention was given to the expansion of education. An active part for the Government was also envisaged in planning the use of land, and land development and settlement schemes.

Swaziland's most valuable export crop is sugar. It is grown in irrigated areas, partly on the estates owned by the milling companies and partly by small-scale farmers. Under the Commonwealth Sugar Agreement, Swaziland has a quota of 85,000 long tons of sugar sold to Britain at a negotiated price: in addition, it has a negotiated price quota of 55,000 long tons under the new International Sugar Agreement, signed in October 1969. The other main agricultural products are citrus fruit, cotton and timber, and a number of food crops are also grown.

Exports from Swaziland until recently went almost entirely to South Africa and Britain, but progress has been made in establishing trade relations with other countries in Africa and agreements have been signed with Uganda, Kenya, Tanzania and Malawi. Renegotiation of the Customs Union Agreement with Botswana, Lesotho and the Republic of South Africa has increased Swaziland's share of the common customs revenue pool considerably and the country will benefit from higher revenues when the agreement comes into force in March 1970, the payments being backdated from April 1969. The total value of exports has risen from R12·1 million in 1960 to R42·1 million in 1968: imports in 1968 totalled R34·1 million. Although exports to Britain (mainly sugar and asbestos) have doubled to R10·2 million since 1961, Britain's percentage of the total has fallen. South Africa's share has fallen from 53 per cent to 20 per cent, but the republic provides 91 per cent of Swaziland's imports. The largest single export outside Africa is iron-ore to Japan, which in 1968 amounted to R11·8 million.

[1] £1 sterling—Rand 1·7.

Development Aid and Investment

Economic progress in Swaziland has been greatly assisted by the large scale investment undertaken by the Commonwealth Development Corporation (CDC). In 1967, CDC's projects and those in which it had investments and loans were estimated to account for over 60 per cent of the country's exports. The largest directly managed project is the Swaziland Irrigation Scheme (SIS), whose reservoir and canal system at present serve 26,300 acres under irrigation, on which sugar cane, rice, citrus and assorted crops are grown. The project also gives training to Swazis to enable them to hold responsible posts. Part of the land from the SIS estate has been transferred to another directly managed CDC project, the Vuvulane Irrigated Farms. Some 140 Swazi farmers are established on holdings of various sizes, sugar cane being their main crop, with irrigation water brought to the boundary of each farm, plant provided for hire and other facilities provided. This scheme is producing good results.

The CDC owns the Mhlume (Swaziland) Sugar Co. Ltd., which in 1968-69 achieved record sugar production and is now one of the leading sugar factories in Southern Africa. The Usutu Pulp Co. Ltd., jointly owned by CDC and Courtaulds, was established in 1959 to exploit the pine forest planted earlier by CDC. The Shiselweni Forestry Co. Ltd., a wholly-owned subsidiary of CDC was established in a district suited to timber development because of its climate and its proximity to markets in the Republic of South Africa. Production at the Ngwenya mine of the Swaziland Iron Ore Development Co. Ltd., a company promoted by the Anglo American Corporation of South Africa Ltd. and Guest Keen and Nettlefolds Ltd., and in which CDC has a share has increased rapidly. The ore is transported by the Swaziland and Mozambique Railways to Lourenço Marques, whence it is shipped to Japan. The loan made by Anglo American to CDC for use in financing the Swaziland Railway is channelled through the Swaziland Development Corporation Ltd., a wholly-owned CDC subsidiary.

International agencies have also supplied Swaziland with aid funds for development. In September 1969 Swaziland became a member of the International Monetary Fund, the International Bank for Reconstruction and Development, which supplied loans totalling R4.3 million for the electricity development programme, and the International Development Agency which has financed several road building projects. The United Nations Development Programme is financing a survey of the Usutu river basin to determine potential for irrigation and hydro-electric power. In October 1969 Sweden offered a funds-in-trust to the value of $US200,000 per annum for three years to finance an expansion of the United Nations technical assistance operational programmes in Swaziland.

OECD 'Dragon' Reactor Project

TENTH ANNUAL REPORT

A decade of development work by the *Dragon* high temperature reactor (HTR) project is reviewed in its tenth annual report, published on 23rd January by the European Nuclear Energy Agency of the Organisation for Economic Co-operation and Development (OECD).

During the ten years of its existence, the twelve-nation project,[1] in which Britain has the major share, has designed, built and brought into operation at Winfrith, Dorset, a 20 MW (thermal) reactor experiment which has demonstrated

[1] Participants are Britain, the six Euratom countries (Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands), Austria, Denmark, Norway, Sweden and Switzerland. [For further background see 6.12.68 p. 1144 and 19.12.69 p. 1113.]

that helium-cooled graphite-moderated reactors, with fuels specially designed to retain fusion products, can be run with core temperatures as high as 1,500°C. These conditions allow high thermal efficiency, so that the *Dragon* concept offers a competitive steam-raising system. It is estimated that a 1,500 MW (thermal) HTR, coupled to a standard 630 MW (electrical) turbo-alternator set, could give electricity generating costs equivalent to, and probably lower than, those obtainable from any other system – fossil-fuel or nuclear – at present operating.

Recognition by Industry and Electricity Authorities

That the cost advantage is becoming widely recognised is evidenced by the increasing interest of industry and public utilities in HTR systems, especially in Britain, the Federal Republic of Germany and the United States. In Britain, the Central Electricity Generating Board has announced that it hopes to order an HTR station in the near future. Demonstration HTR stations, developed in parallel with the *Dragon* project, are operating at Julich in western Germany– 15 MW(e) – and at Peach Bottom, Pennsylvania – 40 MW(e). In the United States a 300 MW(e) station is now under construction, while current discussions in the Federal Republic of Germany are expected to lead to the building of a similar station there. Co-operation between the project and the authorities concerned with these parallel developments has been of mutual benefit.

Recent Developments

The report traces briefly the technical background to these developments and gives a full account of the work of the project itself, mainly during the year ended 31st March 1969. During this period, negotiations for a three-year extension of the project to 31st March 1973, within a total budget of £38 million, reached an advanced stage, and an agreement on such an extension was formally concluded on 25th November 1969 [see 19.12.69 p. 1113].

The report notes a major recent change in the role of the project, in that it is now giving substantial help on a consultancy basis to important concerns, which in several signatory countries are undertaking the design and exploitation of HTR. At the same time, however, the project has continued to devote much attention to the further advance of HTR technology, in particular by using the reactor experiment at Winfrith as a test facility for the core materials and specialised fuels needed for power-producing high temperature reactors.

As regards core materials, the main effort has been concerned with development and testing of special graphites (all metals being unusable because of the very high temperature). The studies have reached an advanced stage and a few early samples have already been irradiated (in another reactor) to doses which would be accumulated during the life of a typical power reactor core.

The original concept for the *Dragon* fuel envisaged compacted uranium and thorium carbides (for U-233 breeding) assembled in graphite tubes through which a continuous flow of helium was passed to purge the fission products, which were subsequently removed from the gas in a continuously operating purification plant. This arrangement was, however, abandoned at an early stage, when it was found possible to fabricate the fuel in small particles, coated with silicon carbide and pyrolytic carbon layers which retained virtually all the fission products. Similar fission-product-retaining fuels have been adopted by the other HTRs mentioned above.

The fuel compositions in the *Dragon* have also undergone considerable evolution. Experiments have been carried out with three primary varieties: highly enriched uranium ' driver ' fuel for the reactor experiment; experimental fuels appropriate to thorium cycle power reactors using a ' feed-breed ' system;

and experimental fuels composed of low-enriched uranium, for investigating the uranium-plutonium cycle.

In the initial stages of the project's work, emphasis was placed on developing the driver fuel which was to constitute 75 per cent of the core of the reactor experiment, as well as on the experimental fuel for the thorium–U-233 cycle. However, interest during recent years has moved from thorium breeding to the U-238–plutonium cycle. In support of this work, essential irradiation experiments have been made in many of the countries participating in the project as well as in the United States.

The report also describes many less fundamental but nonetheless essential developments, such as large dynamic gas bearings for the helium circulators, a highly complex charge/discharge machine for complete sections of the reactor core—comprising assembled fuel and moderator elements and various specialised monitoring and control instruments. Looking to the future, a major item in the *Dragon* programme will be the accumulation of irradiation data on the special power reactor fuels which are being developed by the project.

Capital Investment by Industry

Estimates of investment by manufacturing industry in Britain indicate that during 1969 capital expenditure on new plant, buildings, machinery and vehicles expanded at a faster rate than previous surveys of investment intentions had suggested, and that a further substantial increase is in prospect in 1970. These estimates, and details of two major investment programmes announced recently by British companies, are summarised below.

Figures produced by the Ministry of Technology and published in the *Board of Trade Journal* for 21st January show that manufacturing industry's investment in the third quarter of 1969 (at 1963 prices, seasonally adjusted) totalled an estimated £375 million, an increase of 6 per cent over the second quarter and of 11 per cent over the corresponding months of 1968. Expenditure in the first three quarters of 1969, at £1,049 million, was 8 per cent higher than in the same period of the previous year, although it is thought that the actual increase has been understated by making allowance for the switching of some £30 million of expenditure from the first quarter of 1969 into the fourth quarter of 1968 in anticipation of the ending of the higher rates of investment grant in December of that year.

A significant part of the expansion in 1969 stemmed from spending on new plant and machinery, which rose from £695 million in the first three quarters of 1968 to £740 million in the comparable period of 1969, an increase of almost 6·5 per cent. Expenditure on new building work rose by over 13 per cent to £234 million, while the total for vehicles was 8 per cent more at £75·2 million. Among the principal industrial sectors, particularly strong advances were registered by the textiles, leather and clothing industries (up 27 per cent to £110·3 million), the vehicles industry (16 per cent higher at £89·4 million) and the chemical and allied industries (an increase of 13 per cent to £158·6 million).

Evidence that this general increase will extend into 1970 was published in a press release issued on 13th January by the Ministry of Technology. Based on a survey of manufacturers' intentions conducted in the last quarter of 1969, the Ministry estimated that in 1969 total capital expenditure amounted to £1,440 million (at 1963 prices) compared with £1,349 million in 1968, and that during 1970 it would rise by a further 10 per cent to £1,580 million. The chemical and metal manufacturing industries are expected to make the largest contribution

to the expansion, while other sectors which should support the trend include engineering, shipbuilding, and paper, printing and publishing.

Major Investment Programmes

The largest single investment programme ever undertaken in Britain by a chemicals company was announced on 15th January by the Shell Group. Over the next five years, the group is to double its production of chemicals and expand its oil refinery capacity by 7·5 million tons a year, with a £225 million expansion concentrated on the Carrington chemical plant near Manchester and the Stanlow refinery near Ellesmere Port, Cheshire.

The focal point of the expansion is the construction at Carrington of a £40 million olefins plant with an annual capacity of 450,000 tons of ethylene, 300,000 tons of propylene, 100,000 tons of butadiene and 500,000 tons of pyrolisis gasoline. The output of this unit will feed existing and new production plants, while the pyrolisis gasoline will be pumped to Stanlow along 23 miles of new pipeline to feed the benzene plant. Production from this plant will be divided between a new styrene monomer unit, increasing the output capacity for this material fourfold, and a new phenol plant Most of the phenol production at Stanlow will be used to manufacture lubricating oil dopes and epoxy resins

The carriage of raw materials between the two counties will be a reciprocal process. Stanlow refinery is to be enlarged to provide the necessary raw materials for the petrochemical processes at Carrington, and a new distillation unit (capacity 7·5 million tons a year) is to be built at the refinery, making it the largest in Britain

The growth of the British petrochemicals industry in recent years has been directed towards meeting home demand and improving the balance of payments situation through import substitution. With the completion of the present expansion in 1974, Shell expects to eliminate some imports of chemicals and to add almost half of the additional production (about 1 million tons valued at £120 million) to the industry's overseas sales.

A further investment programme costing some £20 million was announced by Shell on 29th January. Work is scheduled to begin later this year to expand processing capacity at the Shell Haven refinery, Essex, by 3·25 million tons a year to 13 25 million tons

Two major capital schemes at steelworks in South Wales and Scotland were announced by the British Steel Corporation (BSC) on 20th January. Some £42 million is to be spent at the Spencer works just outside Newport and about £34 5 million at Ravenscraig near Glasgow. Both projects are part of the corporation's plans to use capacity to the full through the elimination of bottlenecks on the production line.

The expansion at Newport entails the installation of a third blast furnace and further coke-ovens, and the adaptation of the three existing basic oxygen steelmaking vessels to increase their output from 130 tons of steel every 20 minutes to 165 tons. This move will raise actual production at the works from 44,000 tons a week to 68,000 tons a week, and expand capacity by almost one-third to 3 5 million tons a year.

At Ravenscraig, two blast furnaces are to be up-graded and an existing idle blast furnace brought into operation, resulting in the doubling of iron-making output to some 44,000 tons a week. In addition, a third basic oxygen vessel is to be installed and two existing but unused coke-oven batteries will be brought into commission. Due for completion in 1973, this investment will boost annual output of steel at the works from 1·5 million tons to 2·5 million tons

When the BSC was formed in 1967 it was decided to concentrate expenditure on the modernisation and modification of existing plant rather than on the construction of new steelworks. The decisions to expand at Newport and

Ravenscraig represent the latest moves in a process which, in the past few years, has involved the gradual concentration of steelmaking capacity in five main areas—Port Talbot and Newport in South Wales, Lackenby on the river Tees, Ravenscraig, and Scunthorpe in Lincolnshire. During the year ended September 1969 this process involved the authorisation of investments totalling £260 million, all but £24 million of which was set aside for schemes costing over £100,000 each.

British Petroleum

MERGER WITH THE STANDARD OIL COMPANY

The Justice Department of the United States announced in November 1969 that agreement had been reached in principle over the merger between British Petroleum's United States subsidiary and the Standard Oil Company commonly known as Sohio. The merger was subsequently approved by Sohio shareholders and came into effect on 1st January. The consent decree issued by the Justice Department (a standard procedure for the settling of anti-trust cases out of court), has as its main provision that British Petroleum (BP) and Sohio must sell or exchange certain of their assets over a four-year period in order to avoid further anti-trust action. Specifically Sohio must reduce its market share in the State of Ohio from 30 per cent to 21 per cent by the sale or exchange of taxable motor fuel volume totalling 400 million gallons. There is however no restriction on either expansion or growth in Ohio during the next four years. In Western Pennsylvania, BP and Sohio must sell any petrol stations which compete with one another, but this involves relatively few stations. BP acquired Sinclair outlets in the area amounting to 3,000 barrels per day out of BP's total east coast sales volume of 200,000 barrels per day.

Background

The merger is an essential part of BP's plans for expansion in the United States and follows the acquisition of 9,700 filling stations and refineries in the east and south-east coast states earlier in the year, the discovery of oil on the Alaskan North Slope (see 28.3.69 pp. 311-12) and the new exploration lease in Alaska obtained in September 1969.

The Standard Oil Company is the fifteenth largest oil company in the United States and is predominantly a marketing and refining organisation concentrated in Ohio and six neighbouring states. The company has sales of about 175,000 barrels per day and is in the process of expanding its refinery capacity to 250,000 barrels per day. The combined BP Sohio company will hold about 3½ per cent of the total United States market with sales of about 450,000 barrels per day. Sohio also has petrochemical, motel and restaurant interests.

Under the merger, the proposals for which were announced in June 1969, Sohio has assumed responsibility for all of BP's US interests, including the service stations and North Slope acreage. From the outset, Sohio is financing the development and operation of the Alaska field, including BP's interest in the proposed Trans-Alaskan pipeline. BP received 25 per cent of Sohio stock immediately in the form of non-dividend bearing common shares. BP's shareholding will increase as production in Alaska increases. BP will be entitled to dividends when production reaches 200,000 barrels per day, or on 1st January

1975, whichever is earlier. BP's shareholding will increase to 51 per cent when production reaches 450,000 barrels per day and will rise to a maximum 54 per cent if production rises to 600,000 barrels per day by the end of 1977. BP will retain a 75 per cent interest in production above and beyond 600,000 barrels per day.

BP Exploration (Alaska) has already announced that oil has been discovered in seven of the nine wells drilled on its leases in the Prudhoe Bay area.

Transport Planning Report

TRAINING CENTRE TO BE SET UP

On 28th January the Ministry of Transport published *Transport Planning The Men for the Job* (HMSO, 12s 6d), a report by Baroness Sharp of Hornsey (a member of the recent Royal Commission on Local Government in England and a former Permanent Secretary of the Ministry of Housing). Lady Sharp had been appointed by the Minister of Transport in 1967 'to examine the manpower implications of likely developments in the next 25 years in urban transport planning, including highway planning, traffic management, public transport and allied fields; to consider the needs of manpower, its calibre, qualifications, training and organisation, with particular reference to local government; and to suggest what needs to be done'

On the day the report was published and in response to its recommendations, it was announced that the Government intended to set up a special transport and environment centre for the advanced training of planners, engineers and economists involved in planning and managing urban transport. The centre will be jointly sponsored by the Ministry of Transport, the Ministry of Housing and Local Government, the Scottish Development Department and the Welsh Office Consultations with local authority associations, professional institutions, universities and other interested bodies are starting immediately on the development of the centre and on Lady Sharp's other recommendations.

In carrying out her investigations, Lady Sharp was assisted by a group of people, some representing local authority associations and other bodies, and others drawn from a wide range of relevant skill and experience

The Centre

Lady Sharp emphasises in the report the need for a body of people with a wide variety of education, training and experience to work over the whole spectrum of environmental planning. At least one major teaching centre should therefore be set up to achieve this end, providing two-year courses for post-graduate students leading to a Master's degree, one-or two-year courses for reasonably young people already in employment, and short courses for more senior employees The centre should be built up gradually, over, say, three to five years, to a capacity of 100 or so places. If land planners were included, as would probably be appropriate, the number of places should be doubled.

The two-year course should include techniques needed for analysis, programming, management, costing, study of the environment generally, inter-relation of transport and land-use planning, problems of urban and public transport, urban structure, sociology and social psychology. The centre should be set up in an existing university, preferably not in London but in or near a major city, with strong faculties in the related subjects of engineering, economics, mathematics and sociology. The capital cost of a fully residential centre was likely to be about £400,000, with annual running costs of some £175,000. As much as possible should be recouped from fees, paid by research councils for postgraduate students and by employers (mainly local authorities). Capital

costs should be supported by the Ministry of Transport and other departments concerned with transport.

Other Recommendations

Local authorities, Lady Sharp points out, suffer from a shortage of technicians rather than qualified traffic engineers, and the current apparent shortage of the latter is due to a large extent to their inefficient use and could be reduced by more careful manpower planning, a more functional approach to organisation and better working arrangements between counties and county districts. Land-use and transport planning should be brought together under a single chief officer and policy committee, and should be carried out by closely-knit teams trained in all the necessary related skills (hence the need for a new training centre). The Ministry of Transport should improve its links with local authorities and consider giving more help to the smaller authorities

SOCIAL AND CULTURAL AFFAIRS

Race Relations

PROBLEMS OF COLOURED SCHOOL-LEAVERS

Proposals for ensuring that coloured school-leavers receive equality of opportunity in employment are discussed in a White Paper *The Problems of Coloured School Leavers* (Cmnd. 4268), published on 3rd February. The White Paper contains the Government's observations and recommendations on the report of the Select Committee on Race Relations and Immigration[1] on the same subject [see 10.10.69 p. 916]. 'It is the declared aim of Government policy', says the White Paper, 'that no artificial barrier of race or colour should prevent any individual from developing his abilities to the full and from acquiring both the economic and social status to which his skills entitle him. . . Major effort must be directed towards ensuring that the children of immigrants, who have either been born or received their education here, are treated on exactly the same terms as all other citizens and that their colour of skin becomes totally irrelevant.' The first part of the White Paper makes some general observations under the headings Education, Employment, Statistics and Information, Research and Finance, and the second part comments on each of the principal recommendations in the Select Committee's report.

Education

In the field of education, says the White Paper, it is now possible to see that in certain directions action could with advantage have been taken sooner, but from the early 1960s, when the scale of immigration and the pattern of settlement first became clear, inspectors were already giving advice to local education authorities and schools. The main fields in which informal guidance has been given to authorities have been:

(a) in assessing the individual difficulties of immigrant children;

(b) in developing language teaching techniques, either in the schools or language centres,

(c) in identifying the special problems of particular racial and cultural groups,

(d) in familiarising teachers with these problems and developing initial and in-service training opportunities for them;

(e) in making the best use of teachers from overseas,

(f) in developing good relations with immigrant parents and informing them about the schools' methods and education opportunities in general.

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[1] The Select Committee of the House of Commons was appointed in November 1968 and chose the problems of coloured school-leavers as the subject of its first inquiry. The committee concluded that many coloured school-leavers had special problems that differed in degree and in kind from the problems of other school-leavers

(g) in suggesting ways of assuring parents that their children's education would not be impaired by the presence of immigrant children.

This kind of advice, continues the White Paper, and the more recent improvements to buildings and in the numbers of teachers, have helped to create a framework within which the needs of individual children can more effectively be met.

Employment

The Government is glad to note, says the White Paper, that the Select Committee endorses its view of the need for positive action to prevent racial discrimination, to widen the choice of jobs open to coloured people and to promote equal opportunities for all, regardless of colour, in other fields of employment, such as training and promotion. The Government entirely accepts the committee's view of the special relevance of this policy to coloured school leavers. The Department of Employment and Productivity has already established in conjunction with the Central Youth Employment Executive, a working group to consider additional measures which might be taken to achieve these objectives. The department also plans to hold discussions with representative bodies on both sides of industry about the contribution they may be able to [illegible]

Statistics, Information and Research

The Select Committee has also endorsed the Government's view [illegible] are good arguments for collecting and publishing statistics about the [illegible] population. The Government and the committee agree that there is no objection in principle to the overt marking of records and that statistics are needed [illegible] authorities and employers are to be able to estimate the effectiveness of policies designed to ensure the fair treatment of coloured people. The Government also shares the committee's view about the importance of securing the dissemination of accurate information. The committee's proposals for research [illegible] aspects of teaching, educational arrangements for immigrants and careers) [illegible] be brought to the attention of the Advisory Committee on Race Relations Research (see 6.6.69 p. 524), which the Home Secretary has appointed [illegible] advise him.

Finance

The Government accepts the Select Committee's recommendation that initially, at least, the cost of giving the further assistance which the committee believes to be necessary should be met under the Local Government Act [illegible] or under the Urban Aid Programme. Under the Local Government Act [illegible] authorities are able to claim 75 per cent grant in respect of staff specially employed because of the presence of Commonwealth immigrants whose language and customs differ from those of the rest of the community. Under the Urban Aid Programme a 75 per cent Exchequer grant is paid towards projects [illegible] areas of special social need. A 75 per cent grant is also payable towards the working costs of the Youth Employment Service.

Integration

The White Paper concludes its introductory section by saying that the Select Committee approves the definition of integration given by Mr. Roy Jenkins when he was Home Secretary. He described integration "not as a flattening process of assimilation but as equal opportunity accompanied by cultural diversity in an atmosphere of mutual tolerance". This approach will continue to provide the basis of Government policy, says the White Paper

Everything possible must be done not only to remove racial discrimination where it occurs but also to prevent it occurring at all. The Government is confident that it will have the full co-operation of local authorities, the Confederation of British Industry (CBI), the Trades Union Congress (TUC), the Community Relations Commission, the Race Relations Board and all the other organisations which have so important a contribution to make in ensuring that racial discrimination shall have no place in British society.

Observations on the Select Committee's Recommendations

The Government's comments on the principal recommendations of the Select Committee's report are summarised below.

Employment

The Government will hold discussions with the CBI and the TUC on the most effective ways in which management and workers can extend action already taken to ensure equality of opportunity for coloured school-leavers. Encouragement is to be given to more coloured people to apply for posts in the Civil Service, in local government and in the police force. The White Paper supports the views that there should be a wider adoption of 'fair employment policies' and approves of the practice of some firms in declaring that they have adopted a policy of equal opportunity for all, regardless of race and colour. Employers and employees should be encouraged to make use of more day-release courses, both in general studies and in the English language. English courses run by immigrant organisations themselves and by other unofficial bodies should also be extended.

The White Paper also endorses the hope of the Select Committee that more local authorities will carry out schemes to introduce school-leavers to industry and that information on the local employment system and employment opportunities should be made available in the immigrants' own languages. The staffing of the Youth Employment Service should be more generous in areas of immigrant concentration and more youth employment officers should be coloured. Youth employment officers should continue to help coloured boys and girls to obtain employment in all industries and occupations and should try to remedy individual cases of discrimination. Representatives of immigrant communities should be invited to talk to youth employment officers attending in-service training courses.

Education

The White Paper contains a number of proposals on how schools can help to prepare all children for adult life in a multi-racial society. It supports the view that race relations should not be taught as a specific subject in schools but that much can be done to create better understanding in the course of teaching such subjects as religion, history, geography and current affairs. Immigrant parents should be encouraged to become more familiar with the work of the schools; the Government welcomes the action of certain local authorities in issuing information about the education services to immigrants in their own languages. The Government also agrees that the number of teachers employed to teach English as a second language should be increased as soon as they become available.

The White Paper supports the Select Committee's view that colleges of education should cover race relations and the problems of immigrants in their courses but says that the great majority of colleges do so already. It also recognises the value of refresher courses, conferences and other forms of in-service training which are arranged by the Department of Education and Science, local education authorities and other bodies.

RESEARCH INTO EDUCATION OF IMMIGRANT PUPILS

The Secretary of State for Education and Science, Mr. Edward Short, has approved a project for research into the educational arrangements made for schools with immigrant pupils. The work, which is expected to start in April and to last three years, will be undertaken by the National Foundation for Educational Research.

The purpose of the project is to make available to all responsible for education in racially mixed communities information about existing practices as a background against which future decisions may be taken. The project will have three main sections:

(1) The gathering of information about existing organisational and administrative procedures adopted by local education authorities in connection with the education of immigrant pupils.

(2) A survey of practices in about 200 primary and secondary schools in England with different proportions of immigrant pupils.

(3) A more intensive study of practices in a much smaller number of schools, together with an investigation into concomitant pupil attitudes and teacher opinions as to the effectiveness of such practices. From this it may be possible to gauge the success of various approaches.

Housing

THE ROLE OF LOCAL AUTHORITIES

An extension of the role of local authorities in England and Wales in meeting housing needs is called for in a report of the Housing Management Sub-Committee of the Central Housing Advisory Committee published in November 1969. The report, *Council Housing Purposes, Procedures and Priorities* (HMSO 15s), stresses that changes in family size and acceptable standards of room occupation, together with the declining supply of private rented accommodation necessitate a new approach on the part of local authorities to the housing need of their areas. 'Local authorities must take a wider responsibility for people who at one time would have been housed in the private sector,' it states.

The Identification of Needs

More information on housing supply and housing needs, present and future is essential to a new approach to housing the report argues. 'Our first recommendation is, therefore, that local authorities should take steps to ensure that they are better informed of the housing situation of their areas and the factors affecting it . . . We do not have a single national housing problem: we have a large number of local housing problems of great variety.'

The report stresses that the number of people applying for local authority housing is an inadequate indication of the extent of local housing need. 'Local authorities should be looking for hidden needs, needs which are not being met elsewhere and for needs which may arise in the future.' The identification of such needs would determine the future pattern of authority house building and the policy priorities in the allocation of council housing.

Allocation Policy

The committee recommends that the social need of applicants should be the prime consideration by which local authorities should allocate housing

'Our major plea', it says, 'is for more weight to be given to social need. In our view the assessment of need should take into account both housing conditions and the ability of individual households to cope with the conditions. The highest priority for council housing should go to those households in bad conditions with which they are unable to cope and where the potential ability to improve the situation themselves is low.' This type of case, like cases of severe ill-health, eviction, homelessness and so forth, should be dealt with as a priority outside the main selection scheme. Local authority health and welfare departments should report cases of social need to the housing department and there should be no fixed limit to the number of applicants granted council accommodation on this ground.

Residential qualifications for council housing applicants should be abolished the report proposes. 'Following a review of the situation and the various ways in which residential rules are operated, we conclude that there should be no barrier to acceptance on a housing list. We regard this of importance both in relation to the rights of applicants and the need of local authorities to have as full information as possible on the demand for council housing in their area.' Indeed, the committee holds it to be fundamental that no one should be precluded from applying for, or being considered for, a council tenancy on any ground whatsoever. 'Only if all applicants are admitted is it possible to assess needs. We think that this rule should be made a statutory obligation.

Apart from priority cases such as those with health and social needs housing allocation should follow a selection scheme based on the principle of first allocation to those with greatest housing need, the report continues. Families should be given the accommodation most appropriate to their need and in order to make this possible all local authorities should have rent rebate schemes to enable poorer families to afford the houses best suited to them.

The committee recommends that the housing needs of essential workers such as teachers and social workers, should be given special consideration outside those of the normal selection scheme, because of the social advantages of their living close to their place of work.

Publicity

More publicity concerning local authority selection schemes is called for in the report including the provision of full information on policies, priorities and procedures, on the rights and duties of all those concerned, and on the ways in which further information and advice can be obtained. 'Selection schemes should be freely available', the report insists. 'We attach such importance to this that we recommend that local authorities should have a statutory duty to publish their methods of selection.'

Authorities should run housing advice services to inform residents and newcomers of housing opportunities in both public and private sectors.

Rehousing

The problem faced by households displaced by any form of public action was also considered by the committee. It concluded that all such households should be assisted by the local authority in finding alternative accommodation which need not necessarily be council accommodation. 'This will require amending legislation,' the report states. 'We therefore recommend that local authorities should be required by statute to ensure that every person displaced by public action is satisfactorily rehoused.'

The Needs of Particular Groups

The Large Family. A shortage of four- and five-bedroomed accommodation for large families was noted by the committee, which recommends that councils should assess the best means of providing such houses at reasonable cost.

The Elderly. The committee suggests that more two-bedroomed houses should be allocated to elderly couples who wish to have a spare bedroom, or who would welcome bedroom separation. The proposed removal of residence qualifications should enable elderly couples wishing to live near their children to gain council houses. While the committee thought that local authorities should assist elderly people wishing to move from large council houses to smaller ones, it believes that the problem of under-occupation in the public sector is not as great as has sometimes been thought.

The Disabled. A certain proportion of houses in new local authority housing developments should be specially designed to meet the needs of the disabled, the report suggests.

Single People. More local authority attention and responsibility for ensuring that the needs of the 860,000 single people under 65 are met are recommended.

Students. A survey of student housing supported jointly by the Ministry of Housing and Local Government and the Department of Education and Science should be undertaken, the committee proposes. In the meantime local authorities should have regard to the needs of students and assist in the provision of accommodation, particularly for married postgraduates, who should be eligible for the allocation of council houses.

Coloured People. The committee notes that coloured people have suffered particular difficulties in getting council houses because of their ignorance of the council house system and residential qualifications. It recognises that the effect of the system of council house allocation has been to discriminate against coloured people, though it has not sought to establish whether this has been conscious policy or not.

The committee feels that its recommendations on greater publicity, the abolition of residential qualifications and its stress on the need criterion in allocating council houses should benefit coloured people in particular. It rejects any policy of priority housing allocation which is based on colour rather than the identified needs of the persons concerned. While supporting a policy of immigrant dispersal, the committee stresses that it 'must be implemented with great sensitivity, with no element of compulsion or direction, and can proceed only at the pace of the needs and wishes of the people involved. It must not be assumed that coloured people wish to disperse themselves rapidly among the white community, but at the same time the opposite must not be assumed.'

The committee warns how easy it is for local authorities to assume that because many coloured people at present live in concentrations, this is how they wish to live. It stresses that where coloured people are willing to move to traditionally white council estates councils should not allow the prejudices of white residents to sway them in their allocation of houses. 'Though the policy of dispersal must be implemented with sensitivity, it must be a policy', it insists.

Local authorities should keep records of coloured people, the committee concludes. 'We were reluctantly but quite definitely led to the conclusion that records were necessary', it states. 'We think that there is much confusion on this issue. To maintain that colour is irrelevant is to treat a moral axiom as if it were a fact: what is can be very different from what should be. Colour is not irrelevant . . . The very fact that discrimination is so frequently unintentional strongly supports the case for keeping records. They enable a local authority to satisfy itself that it is not following policies or practices which lead to the very discrimination they wish to avoid.'

New Kinds of Housing Provisions

The provision of municipal bed-sitting rooms and flats, furnished or unfurnished, let for short tenancies at economic rents, is commended in the

report. Such provision could help solve the housing problem of the single and of students, a problem which is growing with the decline in private rented accommodation.

A second scheme commended in the report is that practised in the London Borough of Newham and designed to meet the housing needs of newly married couples. Under this scheme 100 one-bedroomed flats are allocated for the use of young married couples with their tenancy limited to a period not exceeding four years. During this time the tenants pay, in addition to their rent, a sum of at least £2 a week, which is invested in a building society, so that at the end of four years they have a reasonable sum with which to buy their own home. Demand for such a four-year loan of council flats has been 'enormous', and the report commends the idea to other local authorities for evaluation and consideration.

The Commonwealth Foundation

PROGRESS REPORT

The second progress report of the Commonwealth Foundation, published towards the end of 1969, contains a variety of evidence of the Foundation's success in its work of assisting the development of the professions in Commonwealth countries.

The Foundation and its Aims

The Commonwealth Foundation came into being on 1st March 1966 as a result of a decision at the meeting of Commonwealth Heads of Government in London in July 1965. It is an autonomous international body the object of which is to promote and strengthen links between the professions and their individual members and societies throughout the Commonwealth. It has an annual income of £250,000, assured for an initial period of five years and subscribed in varying proportions by the governments of 25 Commonwealth countries.

Each contributing country nominates a representative to serve on the Board of Trustees of the Foundation. Each individual trustee represents his country in a private capacity. The Commonwealth Secretary-General is *ex officio* a member of the board. From 1966 to 1969 the Chairman of the Foundation was Sir Macfarlane Burnet of Australia, Nobel Prizeman and President of the Australian Academy of Sciences. He has been succeeded (from 1st January 1970) by Mr. Robert Gardiner of Ghana, Executive Secretary to the UN Economic Commission for Africa, formerly head of the Ghana Civil Service and in 1962-63 UN Special Representative in the Congo; Mr. Gardiner has also held senior university appointments in Sierra Leone, Ghana and Nigeria.

The board meets three times a year. A sub-committee on minor grants has power to make awards up to a maximum of £20,000 between plenary meetings.

The Foundation's permanent staff at its headquarters in Marlborough House in London consists of a director and four other persons, general office services being provided by the Commonwealth Secretariat. Travel is an essential element in its work, as only by making direct contact with learned and professional societies, university faculties, medical and other schools, government departments concerned with the professions, and individual professional men and women throughout the Commonwealth, can the Foundation's aims be made widely known and its capacity to help assessed. Its director has visited almost all the member countries and dependent territories and a programme of

follow-up visits is now planned, which will be combined with occasional attendance at conferences and seminars of direct interest to the Foundation's work.

Prior to the creation of the Foundation in 1966 no organisation existed whose task it was to concentrate on the strengthening of intra-Commonwealth professional links. The terms of reference agreed by the Commonwealth heads of government in 1965[1] stated that the Foundation should include among its objects the following:

(1) To encourage and support fuller representation at conferences of professional bodies within the Commonwealth

(2) To assist professional bodies within the Commonwealth to hold more conferences between themselves

(3) To facilitate the exchange of visits among professional people, especially the younger element

(4) To stimulate and increase the flow of professional information exchanged between the organisations concerned

(5) On request, to assist with the setting up of national institutions in countries where these do not at present exist

(6) To promote the growth of Commonwealth wide associations or regional Commonwealth associations in order to reduce the present centralisation in Britain

(7) To consider exceptional requests for help from associations and individuals whose activities lie outside the strictly professional field but fall within the general ambit of the Foundation's operations

The Policy of the Board of Trustees

The second progress report states that within these broad terms of reference the trustees have gradually arrived at the following working policy. Help from the *Foundation is offered primarily to professional men and women in the* developing countries of the Commonwealth. Only in a few exceptional cases are travel grants offered to Commonwealth citizens wishing to attend conferences, seminars and refresher courses in foreign countries. Professional people in government service are helped to travel where it can be shown that their personal skills will be strengthened and their value to their countries enhanced. At the same time the Foundation does not regard itself as an agency for 'supplementary aid'; it is therefore at pains to avoid duplication of the activities of such bodies as the World Health Organisation, the Food and Agriculture Organisation, the British Ministry of Overseas Development, the British Council or the Canada Council. It looks to areas of activity in which other organisations are unready or unable to operate.

Taking into account the experience gained so far, the Board has agreed on an 'order of interests' for the future as follows

(1) The creation of Commonwealth-wide and regional professional associations.

(2) The establishment of professional centres

(3) The encouragement of newly-formed national professional associations

(4) The *provision of travel grants for attendance at conferences (primarily* within the Commonwealth) likely to lead on to the creation of Commonwealth-wide *or regional professional links*

(5) The encouragement of regional professional seminars

(6) Help to new or existing professional journals outside the academic field

[1] Given in Cmnd 2714 of 1965

(7) The mitigation of 'professional isolation' by offering travel grants to mid-career professional men in the developing Commonwealth for short overseas study and refresher courses.

(8) The provision in special cases of buildings and equipment for highly-selected projects likely to make a regional rather than a purely national impact.

Commonwealth Associations

In the first progress report published in 1967, reference was made to the existence of the Commonwealth Medical Association and the Commonwealth Association of Architects as prototypes on which to model Commonwealth-wide projects. The success of these associations, to both of which the Foundation made grants, encouraged lawyers, veterinarians and surveyors to follow the same road, and these professions were assisted by the Foundation with awards and advice on questions of organisation.

The second report gives details of subsequent progress. The Commonwealth Medical Association, with help from the Foundation, has held a major conference in Australia and regional meetings in the Caribbean and Malta. The Commonwealth Association of Architecture, to which a three-year grant was made, has organised a series of Commonwealth-wide and regional conferences and considered problems of standards, teaching and reciprocity.

In July and August 1968 meetings of Commonwealth lawyers and surveyors, mainly inspired and financed by the Foundation, were held in London and resulted in decisions to create, respectively, a Commonwealth Legal Bureau, with headquarters at the Canadian Bar Association in Ottawa, and a Commonwealth Association of Surveying and Land Economy with a central secretariat housed temporarily with the Royal Institution of Chartered Surveyors in Britain.

Later in 1968 a meeting of Commonwealth veterinarians took place in The Gambia under the chairmanship of Sir Dawda Jawara, the Prime Minister, himself a member of the profession, which led to the establishment of the Commonwealth Veterinary Association with a secretariat at the offices of the Canadian Veterinary Medical Association in Ottawa.

Following a grant made by the Foundation to assist Commonwealth geographers to attend, an international professional conference was held in New Delhi towards the end of 1968 and a Commonwealth Geographical Bureau was established with headquarters in Ceylon.

In June 1969, with similar assistance from the Foundation, pharmacists from 25 Commonwealth countries met in London under the auspices of the British Pharmaceutical Society and decided to recommend to their national societies that a Commonwealth Pharmaceutical Association should be created, with a secretariat in London. An executive committee, consisting of representatives from Europe, the Americas, Africa, Asia and the Pacific, would be formed, and the first council meeting of the association would be held in Australia in 1971.

Also in June 1969 a conference of nurses from 33 Commonwealth countries was held in Montreal, with the assistance of a £20,000 grant from the Foundation. A committee representing all regions of the Commonwealth was set up to do the preparatory work towards establishing a Commonwealth Nursing Association.

In all these cases the Foundation has taken the lead in encouraging the professions throughout the Commonwealth to collaborate. Grants of up to £20,000 have been offered for exploratory purposes and once a Commonwealth association has been established with the moral and financial backing of national societies, the Board of Trustees has shown itself ready to offer help over a

minimum period of three years. Grants totalling £110,000 have already been committed in this respect.

Regional Co-operation

Working within the world-wide Commonwealth on a multilateral basis, the Foundation is particularly well placed to foster regional links between professional organisations. This type of co-operation, which brings together qualified people working in isolation yet facing common problems, is developing with marked success. Lawyers and engineers in the Caribbean are building on foundations already laid in the past Canada is establishing strong links with Bar and law societies in the West Indian countries of the Commonwealth Architects in both Commonwealth Africa and Asia are drawing closer together Regional conferences of lawyers, doctors and surveyors have been held in the Asia-Pacific area, and dental associations there are working towards the same end. Seminars on the problems of deafness and on public administration have been promoted in east and central Africa, each attracting observers from neighbouring non-Commonwealth countries, international agencies and colleague foundations

Professional Centres

The professions in the newer Commonwealth have tended to reflect political evolution by abandoning their earlier branch relationship with professional societies overseas and forming independent national institutions These new bodies are for the most part small in membership and short of funds, unable to afford offices and secretarial staff of their own To overcome these difficulties the Foundation provided £24,000, spread over three years, for the creation of two professional centres, one in Kampala, Uganda, the other in Port-of-Spain, Trinidad. Each consists of offices shared by professional bodies a small secretarial staff and a basic professional library The premises are available for meetings, lectures and seminars, for the reception of visitors and for students

The Kampala centre came into operation in January 1968 and the Board of Trustees has since increased its grant to a total of £18,850 extended over five years. Some 17 local professional bodies are co-operating with the centre which has already taken over the day-to-day work of ten societies organising their meetings and seminars, keeping their records, and assisting government departments with professional problems The centre has also advised professional groups in ten other Commonwealth countries on the organisation of similar centres. Assisted by a travel grant from the Foundation a board member of the Port-of-Spain centre, which was opened early in 1969 has been able to attend a seminar at the Kampala centre The Foundation has allocated an additional sum of £50,000 for the establishment of professional centres in other Commonwealth countries

Publications

From the outset the trustees have sought to encourage a freer flow of professional information through the medium of journals. As a first pilot project, a three-year grant was made to enable the free distribution of *Tropical Diseases Bulletin* and *Abstracts on Hygiene* to a selected number of teaching and mission hospitals, medical officers of health and up-country doctors in developing Commonwealth countries. Then a minor award was made to the Uganda Medical Association, which is now producing a quarterly bulletin designed to keep the local practitioner, working in isolation, in touch with medical developments elsewhere in his country More recently, a grant of £12,000 has made it possible for the Indian Institute of Engineers to obtain for

its 40 branches a three-year supply of a large number of British engineering journals.

The trustees agreed in June 1969 to finance a quarterly medical bulletin, to be prepared under the auspices of the Royal Society of Medicine, containing clinical articles and information on drugs and diseases of interest to the general practitioner in the tropical Commonwealth. The bulletin will be offered to local medical journals for reproduction without charge. Also to be financed is a journal of tropical veterinary medicine, to be published from the Royal Dick School in Edinburgh, which for its first three years will be distributed free of charge to selected veterinary officers in developing countries

The Foundation is at present unable to entertain requests for the provision of professional libraries, however, as a result of informal approaches by the director, law and Bar associations in Australia, Britain and Canada and a number of private law firms have provided books, shipped at the Foundation's expense, for a court of appeal library in one developing Commonwealth country. Medical books have been provided in a similar way

The board has arranged for the preparation of a guide, *Commonwealth Professional Organisations*, which will be published in June 1970 (Hutchinson, price approximately 90s)

The Foundation also publishes 'Occasional Papers' which are distributed free of charge to professional societies, government departments, agencies and individuals Titles include: *Social Work Training Needs in East Africa*, *Medical Education in Papua New Guinea* (with special reference to the teaching and practice of obstetrics), *Professional Managers in Indian Industry*, *Mental Health Problems in the Developing World*, and *Workshop on Deafness, Vellore, South India*

The Field of Deafness

The trustees found that a special effort was required in the field of deafness, particularly among children in the tropical Commonwealth, and that in most developing countries deafness remained relatively low in the medical order of priorities With the support of the Commonwealth Society for the Deaf, the Foundation therefore made a number of travel grants to audiologists from India, Malawi and Uganda to enable them to broaden their experience; promoted a survey of deafness among children in the Blantyre-Limbe area of Malawi; and financed a seminar in Nairobi on deafness in Africa, which was attended by specialist teachers and others from many parts of east and central Africa In 1969 the board agreed to make a grant of £40,000 for the construction of a teacher-training school and clinic at Blantyre which will house initially 40 to 60 children The intention is that this will develop into a training centre for teachers of the deaf to which other Commonwealth countries in the region will later send trainees The grant includes provision for visits over a five-year period of specialists from Britain who will carry out operations and also give demonstrations and teaching courses for local doctors and hospital staff

Travel Grants

The Board of Trustees makes travel grants for the attendance at conferences, for academic and research activities, and for study, advisory and refresher visits. Priority is given to conferences at which widespread Commonwealth attendance will be likely to lead to the creation of additional Commonwealth and regional professional associations. Grants are also made where a professional man (or woman), in private practice or government service, has a definite contribution to offer or will clearly enhance his skills and experience to the benefit of his country. Assistance to those working in universities is restricted to areas of professional activity bearing directly on economic development and practical

professional progress. Grants are not made to undergraduate or postgraduate students, or for long-term research activities. Persons assisted are those likely to contribute in the immediate future to the development of their countries. Visits for short-term study or refresher courses, rarely exceeding three months, which come within the rules of few other trusts and agencies, are, however, assisted by the Foundation. By this means a locally-qualified man is enabled temporarily to emerge and 're-charge his batteries' after several years of professional isolation.

Lectureships

An experimental project approved by the trustees late in 1967 involved the selection of three eminent persons who in a given year would travel to other regions of the Commonwealth to deliver lectures on their specialities and have discussions with professionals in government service and private practice and with teachers and students at universities. Under the first year's programme Dr. W. M. Hamilton, Director of the New Zealand Scientific and Industrial Research Organisation, visited east and central Africa to lecture on and discuss scientific organisation and animal husbandry, Dr. I. J. Sumption of the University of Alberta, Canada, whose subject was animal genetics, went to Tanzania and west Africa; and Dr. I. Krishnan, an eminent Indian geologist, made a visit to New Zealand and Australia. The experiment proved its worth and the board has agreed to extend the project for a further two year period at a cost of £15,000.

Special Projects

Special projects undertaken by the Foundation on an *ad hoc* basis have included the financing of lectureships in accountancy at the Universities of the West Indies and the South Pacific, the provision of scholarships for fire engineers in developing Commonwealth countries, the provision of travelling bursaries for professional men and women in Britain directly concerned with the problems of Commonwealth immigrants, and subsidies to the Commonwealth Medical Advisory Bureau and also towards the continuing publication of the *Annual Survey of Commonwealth Law*.

The Foundation is permitted to receive contributions to its funds other than those subscribed by Commonwealth Governments. It has accepted money received as the result of an appeal launched in memory of Sir Andrew Cohen, formerly Governor of Uganda and later Permanent Secretary to the Ministry of Overseas Development, for a fund to enable civil servants in Commonwealth Africa to travel within the continent to enhance their skills and experience. The Foundation is to administer the sums received, without charge to the appeal fund for its services.

Government and Administration

St Vincent Public officers' agreement with Britain	Cmnd. 4257 HMSO, 1s 3d
Reform of Local Government in England (see pp 137-41)	Cmnd 4276 HMSO, 4s
Police National Computer Project The Home Secretary announced that a contract had been awarded for the central computer system in a police national computer project the purpose of which is to store in a large central computor many of the records of crimes and criminals at present held at the Central Criminal Record Office at New Scotland Yard and by local police forces	Press release Home Office 28 1 70
Public Order (Amendment) Act 1970 (Northern Ireland) This Act, which received Royal Assent on 5th February, is intended to bring the law of Northern Ireland into line with the rest of the United Kingdom in several important respects Where it differs from Great Britain is in giving additional protection to the right of the ordinary citizen to go peacefully on his way without being obstructed or molested	Press release Ulster Office 4 2 70
The Farming Future Conservative Party policy statement on agriculture	Conservative Political Centre, 32 Smith Square, London SW1
Organisation of Political Parties in Britain	COI, R 4769 6)
Prison Service Fact Sheet on Britain	COI R 4735 B 5

External Affairs and Defence

Nigeria Situation and Relief Aid

Nigeria The Problem of Relief in the Aftermath of the Nigerian Civil War Report of the mission by Lord Hunt, the British Prime Minister's personal emissary	Cmnd 4275 HMSO, 2s
Statement by the Prime Minister on the relief situation, based on the report by Lord Hunt	*Hansard*, 22.1.70 cols. 706-22
Debate on British Government relief aid.	*Hansard*, 26.1.70 cols. 1005-66
The Secretary of State for Foreign and Commonwealth Affairs gave information about British relief aid sent to Nigeria and about proposed financial	*Hansard*, 2.2.70 cols. 2-4

contributions for the relief and rehabilitation programmes in Nigeria of the League of Red Cross Societies (for the Nigerian Red Cross), UNICEF and the International Committee of the Red Cross These contributions, amounting respectively to £250,000, £250,000 and £150,000, would come out of the extra provision of up to £5 million for relief aid to Nigeria announced by the Prime Minister on 19th January (*Hansard*, col 38)

Malaya: Alleged Massacre. The Secretary of State for Defence stated that he would study the available documents relating to the two investigations at the time of the incident (December 1948), which had not reported any criminal conduct on the part of British troops, together with other material arising out of recent allegations, to determine whether the matter should be referred to the Director of Public Prosecutions for further investigation	*Hansard*, 4 2 70 cols 426-9
South Korea Abolition of Visas Exchange of Notes between Britain and the Republic of Korea	Cmnd 4269 HMSO, 9d

Economic and Scientific Affairs

Indonesia British Aid Disbursements of British Government financial aid to Indonesia in the calendar year 1969 amounted to £2,442,117, and were used for the import of goods from Britain, including buses and crumb rubber processing plant Technical aid is being given in the fields of currency, development banking irrigation, geological surveys and the tea industry	*Hansard* 22 1 70 col 668
Swaziland. British Aid Britain is to make available to Swaziland a total amount of £6 395,000 over the period 1970-73	*Hansard* 22 1 70 cols 668-9
Pakistan British Aid British Government bilateral project aid to East Pakistan and West Pakistan in the five years 1965-66 to 1969-70 totalled respectively £9 million and £10 million New commitments of non-project aid in the period, which is not separately allocated to East and West Pakistan, amounted to £22 8 million	*Hansard* 22 1 70 col 680
South Vietnam British Aid Summary of bilateral civilian aid provided by Britain from 1964-70	*Hansard*, 22 1 70 written answers col 166
South Africa: Trade with Britain British exports to South Africa rose by 10 per cent to £291 million in 1969 Imports were £303 million	*Hansard*, 28 1 70 col 1543
South Africa. United Nations Education and Training Programme. Statement by the Secretary of State for Foreign and Commonwealth Affairs on the British contribution to the programme in 1968-69 and 1969-70, which in each year was over one-fifth of the total given	*Hansard*, 2 2 70 written answers cols 10-11
Singapore and Malaysia: Special Aid. **Of the £50 million of special aid offered to Singapore and £25 million to Malaysia to compensate for the withdrawals of British forces [see 21.6.68 p. 587], £17·9 million was committed**	*Hansard*, 3.2.70 written answers col. 117

to Singapore in 1968-69 and £8·3 million has been committed to date in 1969-70; and £7·1 million was committed to Malaysia in 1968-69 and £9 million to date in 1969-70.	
Sudan: British Aid. Exchange of Notes concerning an interest-free development loan by Britain to the Democratic Republic of Sudan	Cmnd. 4260 HMSO, 2s
France: Agreement on Taxation of Vehicles. Agreement between Britain and France on taxation of road vehicles used for the international carriage of goods	Cmnd. 4265 HMSO, 1s 3d
Inland Revenue. Report of the Commissioners for the year ended 31st March 1969. Owing to the increased volume of work of the department, the report has taken on a new format. It gives a brief account of the functions of the Inland Revenue and how they were affected by the Finance Acts of 1968 and 1969. It is intended to publish in March a second volume, entitled *Inland Revenue Statistics*, giving tables and data on taxation, incomes and wealth	Cmnd. 4262 HMSO, 10s 6d
Tonga: British Aid. The Ministry of Overseas Development (ODM) announced on 26th January that Britain has provided a further grant of £112,382 for a new hospital being built at Vaiola in Tongatapu. The British contribution from Colonial Development and Welfare funds will be about 80 per cent of the total costs of £384,477 and will include about £60,910 for new furnishings and equipment	Press release ODM 26.1.70
Food Aid and Britain, by Hal Mettrick. A study of the food problem in developing countries and an examination of food aid policies which includes a section on the British contribution. Published 1969	Overseas Development Institute Ltd., 106 Piccadilly, W1V 0JS, 30s
Dragon Nuclear Reactor Project. Tenth annual report available from the Public Relations Branch, United Kingdom Atomic Energy Authority (UKAEA)	UKAEA, 11 Charles II Street, London SW1, free
British Petroleum Equipment and Services, 1969-70 edition published by the Council of British Manufacturers of Petroleum Equipment (BMPE)	BMPE, 118 Southwark Street, London SE1, 90s
Notes on Science and Technology in Britain No. 22 Nuclear Fuel Manufacture No. 35 Isotopes and Radioactive Substances No. 48 Marine Science and Technology	COI, R 5476
British Surveying Profession	COI, R(SN) 5866
Measures to Prevent Environmental Pollution	COI, Factel No.595

Social and Cultural Affairs

Cranfield Institute of Technology. The Lord President of the Council announced that the Queen had approved a recommendation by the Privy Council that a Charter should be granted to the College of Aeronautics at Cranfield under the name of the Cranfield Institute of Technology.	*Hansard*, 28.11.69 written answers col. 179

Homes for Disturbed Children. The establishment of three homes for severely disturbed children who, because of their acutely disruptive behaviour, cannot benefit greatly from treatment in psychiatric hospitals or from approved schools or children's homes, was announced in the House of Commons by Dr. John Dunwoody, Joint Under-Secretary of State at the Department of Health and Social Security. The homes will take both girls and boys and will provide about 200 places with a minimum admission age of 12.

Hansard, 22.1.70 cols 851-60

Sites for Gypsies The Minister of Housing and Local Government announced that he and the Secretary of State for Wales intended to make an Order bringing Part II of the Caravan Sites Act 1968 into force in England and Wales with effect from 1st April 1970 [see 15.3.68 p. 295]. Under Part II of the Act, local authorities are obliged to provide adequate accommodation for gypsies residing in or resorting to their areas. In addition London and county boroughs have a duty to provide up to 15 caravan pitches in their areas unless they can satisfy the appropriate Minister that they should be exempted from the duty.

Hansard, 27.1.70 written answers col 312

Matrimonial Proceedings and Property Bill Second reading of a Bill to implement the recommendations (other than those relating to damages for adultery and the actions for enticement, seduction and harbouring) made by the Law Commission in its reports on financial provision in matrimonial proceedings (Law Com No 25) and on the remedy of restitution of conjugal rights (Law Com No 23) [see 24.10.69 p 965 and 21.11.69 p 1052

Hansard 28.1.70 cols 1558-1679

Children in Care in England and Wales March 1969 Although the number of children in the care of local authorities on 31st March 1969 (70,188) was slightly higher than a year earlier (69,358), the combined number of children in the care of local authorities fell slightly (78,396 compared with 78,518) representing 5.9 per 1,000 of the population under 18. The report, published by the Home Office, says that the absence of any increase between 1968 and 1969 in the number of children in care reinforces earlier hopes that preventive measures are continuing to meet with some success

Cmnd 426[illegible] HMSO 2s 6d

The Problems of Coloured School Leavers The Government's observations on the report of the Select Committee on Race Relations and Immigration (see pp 171-3)

Cmnd 426[illegible] HMSO [illegible]

Council Housing Purposes, Procedures and Priorities November 1969 Report of the Housing Management Sub-Committee of the Central Housing Advisory Committee (see pp. 174-7)

HMSO, 15s

Housing. The total number of houses completed in Great Britain in 1969 was 366,793, compared with 413,715 in 1968.

Press release MHLG 27.1.70

Ophthalmic Service. Office of Health Economics (OHE)

OHE, 162 Regent Stre[illegible] London W1, 3s

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SECOND READING

The Administration of Justice Bill, which has already passed through the House of Lords, was given its second reading in the House of Commons on 4th February (*Hansard*, cols. 445-507). Opening the debate, the Attorney-General, Sir Elwyn Jones, said that the Bill was part of the process of modernising and improving the administration of the law, as well as being a measure to reform the law itself.

New Family Division of the High Court

The Bill, said the Attorney-General, proposed the first alteration to the divisions of the High Court[1] for 88 years by creating out of the existing Probate, Divorce and Admiralty Division a Family Division, and by redistributing the business of the High Court so as to concentrate in the Family Division family, domestic and matrimonial business. The jurisdiction at present exercised by the Chancery Division in wardship, guardianship, and adoption cases would be exercised by the Family Division. The High Court's probate jurisdiction would be shared between the Family Division (for non-contentious business) and the Chancery Division (for contentious business).

The Attorney-General commented that the new Family Division would be more than a change in name; its creation would be a recognition of the importance of the family and of the need to ensure that any disputes that might arise within the family would be dealt with in a sympathetic atmosphere by judges and officials who possessed the necessary experience and understanding. The concentration in a single division of business relating to the family would enable attention to be given more easily to the important welfare aspect of this work.

The Admiralty and Commercial Courts

The admiralty and prize jurisdiction of the Probate, Divorce and Admiralty Division would be transferred to the Queen's Bench Division where it would be dealt with in a separate Admiralty Court to be set up under the Bill. This change, the Attorney-General explained, would be one in name only.

The Bill provides for the establishment of a Commercial Court as a separate court within the Queen's Bench Division. The Attorney-General pointed out that the commercial work of the High Court was a small, distinct and specialised part of its operation, and the Bill recognised this. The Bill would also enable rules of court to provide that, in certain circumstances to be prescribed, a judge of the Commercial Court, if he thought fit, might sit in private and dispense with the strict rules of evidence. In genuine commercial cases the desire of the business community for informality and privacy was a legitimate one which should be met as far as Parliament could properly do so. The Government recognised,

[1] The existing divisions are the Queen's Bench Division, the Chancery Division and the Probate Divorce and Admiralty Division.

however, that these proposals required close scrutiny and for this reason the Bill itself made no substantive provisions on these points. It merely conferred on the Supreme Court Rule Committee power to make such rules as it might think fit, as a limited experiment. In his reply to the debate, the Attorney General said that it was the Lord Chancellor's intention that the rules should enable the commercial judge to sit in private only provided that both parties to the litigation were agreeable

Enforcement of Debts

The Bill proposes to give effect to the recommendation in the report of the Payne Committee on the Enforcement of Judgment Debts [see 28.3.69 p. 320] that imprisonment for debt should be restricted The Attorney-General informed the House that such a measure would relieve overcrowding in prisons since it was estimated that, as a result, at least 2,750 people would be kept out of prison. The power to imprison would be replaced by another recommendation of the Payne Committee, an extension of the power to attach earnings[1] against any judgment debtor in respect of wages or salary

Other Provisions

The Bill *contributes to the saving of judicial time, a matter raised in the* report of the Royal Commission on Assizes and Quarter Sessions under the chairmanship of Lord Beeching [see 7.11.69 pp. 986-90] The report pointed to the delay resulting from the poor location of assize courts, some assize towns having been chosen centuries ago and now being no more than large villages Under the Bill the holding of assizes at any place can be dispensed with by Order in Council

The Bill seeks to extend the availability of documents and other property in court proceedings for personal injuries This follows the recommendation of the report of the Lord Chancellor's Office Committee on Personal Injuries Litigation (Cmnd 3691, HMSO 1968) under the chairmanship of Lord Justice Winn.

[1] A system under which the debtor's employer is required to make periodical payments from the debtor's earnings to the collecting office of the court

Nigeria

After a long period of apparent stalemate, the final defeat of the Nigerian secessionist forces by those of the Federal Military Government was effected in the space of a very few days at the beginning of 1970. The formal surrender took place on 15th January Both on that occasion and throughout the period immediately following the cessation of hostilities, the conduct of the Federal Military Government and of Federal forces (apart from certain isolated instances) was reported to be notable for its generosity and spirit of reconciliation. Predictions of vengeance, and even genocide against the Ibo people, which had gained a wide currency, largely as result of "Biafran" propaganda, were in the event proved to be unfounded As soon as the fighting was over, the Nigerian Government set about the task of relieving hunger and suffering in the war-affected areas. While accepting many of the offers of aid which flowed in from friendly countries, the Government kept the administration of the relief programme firmly in its own hands

In Britain, news of the end of the war was warmly welcomed, and an immediate offer of £5 million for emergency relief aid was announced. In agreement with the Nigerian Government, the Prime Minister sent a special emissary to Nigeria to assess the situation and to discuss how British aid could be used most effectively. The Nigerian Red Cross subsequently sent a first detailed list of requests, all of which the British Government, with the help of voluntary organisations, was able to meet.

Humanitarian concern among British people over the plight of civilian victims of the war in the former secessionist enclave– the subject of widely conflicting reports in the news media and over Britain's share in the relief and rehabilitation programme, was reflected in the large number of references to the subject in both Houses of Parliament. A speech by Lord Shepherd, Minister of State at the Foreign and Commonwealth Office, in a short debate in the House of Lords on 10th February, summed up the relief situation as it had developed over the four weeks since the end of hostilities

END OF THE CIVIL WAR

Between May and October 1969, apart from a few minor engagements, there had seemed to be little change in the military situation in Nigeria [for an account of the position in mid-1969 see 15.8.69 p. 700]; but late in October, with the end of the rainy season, renewed pressure by Federal troops on all main battlefronts surrounding the secessionist enclave was reported. Little official information was, however, forthcoming, and in a New Year broadcast, General Gowon, Nigerian Head of State, said that his Government had been 'deliberately reticent' over the past few months about giving out reports of progress in the war. 'All I wish to let the nation know', he added, 'is that the reports I get from all the fronts are most encouraging.'

A few days later, the first news of Federal military successes began to appear in the Press, and on 10th January the capture of Owerri, headquarters of the

secessionist regime and the last major town in the enclave, was reported. Federal troops were also reported to be advancing on Uli airstrip, through which almost all the secessionists' supplies, both civil and military, had reached them.

The fall of Owerri was officially confirmed on 11th January. Announcing this, General Gowon called on all rebel soldiers to lay down their arms and instructed Federal troops to observe strictly their code of conduct and especially to ensure the care of refugees.

Meanwhile, on the morning of 11th January, Colonel Ojukwu, the secessionist leader, had broadcast a message announcing his departure from the enclave and the appointment of Colonel Philip Effiong to administer the affairs of 'Biafra' in his absence.[1] On the following day, as it became clear that the secessionists' resistance was collapsing before a Federal advance on all fronts, Colonel Effiong called on his troops to stop fighting and sued for peace, sending emissaries to make contact with Federal commanders in the field. Speaking on the radio, he said: 'I am convinced now that the suffering of our people must be brought to an end. Our people are now disillusioned, and those elements of the old regime who have made negotiations and reconciliation impossible have now voluntarily removed themselves from our midst. . . . We have always believed that our differences with Nigeria could be settled by peaceful negotiation.' He explicitly repudiated any suggestion of a Biafran government in exile.

Accepting the surrender of the secessionist army, General Gowon, in a midnight broadcast on 12th January, offered an amnesty to 'all those who were led into futile attempts to disintegrate the country'. He repeated his appeal to secessionist soldiers to lay down their arms and gave an assurance that Federal troops would not shoot unless fired upon. Police units would follow the advance of the troops to restore civil order and adequate care would be taken of all civilians.

The formal surrender ceremony took place on 15th January at Dodan barracks, Lagos, when Colonel Effiong handed over the official surrender document to General Gowon in the presence of Federal military and civilian leaders. Biafra, he said, accepted the existing political and administrative structure of Nigeria, as well as the Nigerian policy that any future constitutional arrangements would be worked out by representatives of the people of the whole of Nigeria. 'The Republic of Biafra', he added, 'hereby ceases to exist.'

All reports agreed that the keynote of the surrender ceremony was one of reconciliation, a theme which was reiterated by General Gowon in a broadcast to the nation the same night. 'Today', he said, 'marks the end of the civil war. . . . The tragic chapter of violence is just ended. We are at the dawn of national reconciliation. Once again we have an opportunity to build a new nation. . . . I solemnly repeat the guarantee of a general amnesty for those misled into rebellion. We guarantee the personal safety of everyone who submits to Federal authority. We guarantee the security of life and property of all citizens in every part of Nigeria and equality of political rights. We also guarantee the right of every Nigerian to reside and work wherever he chooses in the Federation as equal citizens of a united country. . . . All energies will now be bent to the task of reintegration and reconciliation.'

Nigerian Government's Relief Policy

The Nigerian Government's policy on the relief programme for the former secessionist area and on external assistance immediately offered from many

[1] Colonel Ojukwu stated that he left the enclave in order to explore certain peace proposals and said that he would return shortly. His whereabouts remained a mystery for some days until on 23rd January President Houphouet-Boigny of the Ivory Coast—one of the few countries which had recognised the secessionist regime—announced that the former Biafran leader had been granted political asylum on the understanding that he would not engage in any political activity while in the Ivory Coast.

sources—was made clear at an early stage and was emphasised again by General Gowon in the course of a press conference on 22nd January, when he said this was a Nigerian problem to be solved by Nigerians. 'Our problems have been complicated by foreigners who think they understand Nigerians or Africans better than we do ourselves.' No one, he went on, could expect a miracle in the present circumstances, but the Nigerian Government was organising 'the tremendous resources of men and materials required' and good progress was being made. The Government had already released £6 million for relief, and a further £10 million was being made available.

Aid was also being received from a number of countries, especially in transport and in medicine and medical personnel and facilities. General Gowon continued: 'I wish to restate the determination of the people of this country and of my Government to control all the processes of rehabilitating our people and the reconstruction of the damage caused by the war. We will receive assistance from acceptable sources, but we will not allow any country, groups of countries or foreign agencies to impose anything on us. . . . We will welcome honest, sincere and genuine advice and assistance. This should not, however, be interpreted to mean that we are a beggar or that we are to become one.'

Situation in the Enclave

With the sudden collapse of the secessionist resistance, conditions in the enclave were inevitably confused and chaotic, and early reports on the situation seemed on many points conflicting. Those emanating from such sources as the international observer team (set up in 1968 at the invitation of the Federal Government to observe the Federal Army's operations in the civil war area and comprising representatives of Britain, Canada, Poland and Sweden), the United Nations representatives and the British mission led by Lord Hunt,[1] while in agreement that there were serious problems to be solved, stressed the positive and reassuring aspects of the situation; but many reports appearing in the Press and other news media tended to highlight incidents of looting, rape and violence.

The British Prime Minister, commenting on this apparent conflict in the House of Commons on 22nd January (*Hansard*, cols. 706-22), said: 'I believe that the [press] reports which we have read have been honest, but I believe that, inevitably, both newspaper accounts and newspaper photographs tend to be episodic and to deal with individual cases. They naturally do not present a general view of the whole panorama in the sense that we have been able to have from Lord Hunt and his mission. . . . It was right that these things should be reported, but that does not mean that they are necessarily taking place on a total scale. All the evidence is to the contrary.'

The Hunt mission's report—with which other reports made about the same time by visiting officials were substantially in agreement—was based on personal tours of the area within a week of the end of the war, as well as on discussions with Nigerian officials and representatives of relief agencies. The mission found that the food situation was improving daily, that roads were open and displaced people were flocking back to their homes. They were impressed by the way in which the Nigerian Red Cross and all relief workers were tackling the problems and they admired the 'instant spirit of reconciliation . . . which will make the peace which followed this war one of the most remarkable events in the history of war and peace'. Nevertheless, they believed that there were anxious days ahead. There had been great suffering and there would doubtless be more.

[1] The British Prime Minister invited Lord Hunt to go to Nigeria as his personal emissary to find out from the Nigerian Government how British aid could be made most effective. With the approval of General Gowon, Lord Hunt, accompanied by Sir Colin Thornley, Director-General of the Save the Children Fund, and Mr Brian Hodgson, Deputy Director-General of the British Red Cross, spent six days in Nigeria. Their report *Nigeria: The Problem of Relief in the Aftermath of the Nigerian Civil War*, was published on [illegible] January (Cmnd 4275, HMSO, [illegible]s)

There would be tragic situations 'which could not reasonably have b avoided'. They considered that the success of the Nigerian Governme efforts in meeting the urgent needs of the immediate critical period wc depend on its ability to overcome transport difficulties so as to ensure hav adequate food and medical supplies where they were needed, and on an e withdrawal of troops.

Referring to the relief situation in the course of his speech in the Hous Lords on 10th February (*Hansard*, cols 842-70), Lord Shepherd, Ministe State, Foreign and Commonwealth Office, said that it was not for him, spokesman for Her Majesty's Government, to report on what was 'cle within the responsibility and authority of the Nigerian Government' H ever, he paid a tribute to the Hunt mission's report as 'a balanced, com hensive picture of the situation they found', and said that 'everything we h since learnt has borne out the accuracy of that report

No relief operation, he went on, on whatever scale, could hope to pro a remedy within a few days, or even weeks 'Much suffering undoubt continues There are particular areas of special concern where difficultie access to those in need have persisted with special obstinacy Neverthel all the reports which we receive from recent visitors to the areas of need a that there has been already a tremendous improvement in the scale and effect ness of the relief effort, and that the resources for a further improvement now available . According to our own most recent reports there are s 19,000 tons of food stockpiled in Nigeria with substantial further quant on the way during the next few weeks The Nigerian Red Cross were hel to deliver during last week about 2,000 tons of imported foods, and a rou similar amount of local food, both within Nigeria and to the relief areas the beginning of this month about one and a half million people were b fed by the relief operation The supplies already available or due to ar shortly are estimated to be sufficient to enable the Nigerian Red Cross to di bute within a week or so about 4,000 tons of food every week This is, of cou substantially more than was being distributed on both sides together before end of the fighting, in addition to which local production can be expecte increase . . . Private traders are already reported to be active in impor food supplies.'

BRITISH RELIEF AID

The British Government was among the first to offer relief aid to Nig On 13th January, at a meeting in London with leaders of voluntary organisati the Prime Minister announced that the Government was making a sum o to £5 million available for relief and rehabilitation, in addition to the no development aid programmes to Nigeria, which were at present being wo out between the Ministry of Overseas Development and the Nigerian H Commission.

The first official list of requests for relief aid was received from the Nige Government on 14th January

Statements and replies to questions on the Nigerian relief situation w given by the Prime Minister and other Ministers in both Houses of Parlia on numerous occasions, and on 10th February the current position was sum up by Lord Shepherd speaking in the House of Lords (see above) The respo bility of the British Government, he said, had been limited to the provisio such relief assistance as the Nigerian authorities might themselves request went on: 'Before the end of the fighting we had certain discussions with Federal authorities, the International Red Cross and a number of other gov ments about the problem of relief which would arise when the end of the

came. It was partly as a result of these contingency discussions that food and medical stockpiles were established at a number of points around the perimeter of the enclave, even before the fighting ended. Thus at the end of the war the bulk of the food and most of the drugs required were already available in Nigeria and close to the areas of greatest need. . . .

'As soon as the fighting ended, Her Majesty's Government made known to the Federal authorities their readiness to meet at once any request for help which the Nigerians themselves might put to us. Within a short time of the new relief organisation being set up in Lagos, a firm list of requests was passed to us, and within hours of our receiving that request the first aircraft load of urgently needed vehicles and medical supplies was on its way from Britain to Nigeria. . . . Within about two weeks we delivered all the vehicles, tents and farm tools, and almost all the other supplies for which we had been asked. These comprised 50 Land Rovers . . . 110 4-ton trucks, 534 tents and 153 marquees (enough to accommodate about 10,000 people), nearly 50 tons of medical stores, 30 tons of vehicle spare parts, and a large consignment of farm tools for rehabilitation purposes.'

The Foreign and Commonwealth Secretary had announced on 2nd February the Government's decision to give, from the £5 million of relief aid, grants of £250,000 each to the League of Red Cross Societies (for the Nigerian Red Cross) and the United Nations Children's Fund for its relief and rehabilitation programme in Nigeria, and £150,000 to the International Committee of the Red Cross towards the cost of its Nigerian relief activities.

'In addition', the Minister continued, 'we were asked to provide urgently 15 doctors and 20 nurses to supplement the Nigerian, British and other expatriate staff already working in relief operations in Nigeria at the end of the war. With the prompt and efficient help of the British relief organisations, we were able to respond at once to this request, and all 15 doctors and 20 nurses are now at work in the field in Eastern Nigeria. For the present, we have had no further requests from the Nigerian authorities for relief workers, either additional medical staff or other relief personnel. However, in case we should receive a further request, the Ministry of Overseas Development has opened a register of doctors, nurses and other relief workers who would be willing and ready to go out to help with relief work at short notice, and we should thus be able to respond quickly to any further request which might be made. The British relief organisations also have a number of experienced relief workers on their records who could be quickly available'

Lord Shepherd pointed out that the relief effort which he had outlined was all additional to Britain's normal aid programme to Nigeria. 'In the second half of 1968 Her Majesty's Government offered the Federal Government a grant of £100,000 for rehabilitation and reconstruction and a loan of £1 million which could also be used for this purpose. These offers of capital aid were accepted, and as a result orders were placed for such items as spares, telecommunications equipment, inflatable warehouses and various other items. A substantial proportion of these have already been delivered.

'Additionally in 1968, an offer was made to establish and support a child medical care unit in the Nigerian hospital at Enugu in the East Central State. The unit was established just after Christmas of that year and has been operating ever since with considerable success. The unit consists of five doctors, ten nurses, one radiographer, one laboratory technician, one hospital administrator and three driver-mechanics. This team . . . is long established and additional to the doctors and nurses recently provided specifically for the present emergency—although, of course, its members will be playing their full part in that too. . . .

'In October 1969 an offer was made to increase the 1969 loan by up to £1 million, and in November a further loan offer of up to £1,750,000 was made for disbursements in the financial year 1970-71. Last month a Nigerian delegation came to London for discussions, and agreement was reached on goods and

services to be provided under these loans, some of which are for rehabilitation and reconstruction and some for development.'

Replying to questions, Lord Shepherd referred to a scheme run by the Save the Children Fund, to which Britain was contributing some £55,000 (out of the £5 million of emergency aid), for the distribution of seed yams to about 100,000 people in the war-affected areas, to provide them with means of growing their staple food.

Lord Shepherd stated that the British Government was satisfied that the relief assistance it had given had been 'put to immediate and effective use by the Nigerian Red Cross and the Federal Government

Arab-Israel Relations

Since February 1969 there has been a serious increase in the frequency and scale of violations of the United Nations cease fire between Israel and the Arab states. On 22nd September the British Foreign and Commonwealth Secretary told the UN General Assembly that the point of breakdown in the cease fire had been reached

Four-Power discussions, aimed at providing the UN Secretary General's special representative, Dr Jarring, with guidance and proposals for an Arab-Israel settlement within the framework of the Security Council's resolution of 22nd November 1967, were held at New York during the year but reached no firm outcome Concurrently, other exchanges took place between the four permanent members of the Security Council as well as bilateral US-Soviet talks, during which the United States Government put forward formulas relating to the Israel-United Arab Republic (UAR) and Israel-Jordan aspects of an overall settlement In late January 1970 the Soviet Government, concerned with intensified Israeli air attacks on the UAR, addressed messages to the other three Powers who, in their replies, also expressed concern at the situation put forward proposals to re-establish the cease fire and for agreement on [illegible] limitation

A summit conference of Arab leaders at Rabat in December 1969 aimed at achieving full political and military co-ordination against Israel failed to produce general agreement or any communique The growing power and independence of the Palestinian *fedayeen* organisations was demonstrated by serious [illegible] clashes with the Lebanese army in October 1969 future relations between [illegible] organisations and the Lebanese Government were the subject of an agreement reached in November under UAR mediation On a less serious [illegible] confrontation between the *fedayeen* and the government (again followed by agreement) took place in Jordan in February 1970

FOUR-POWER DISCUSSIONS

Following the agreement reached between the four Powers concerned [illegible] end of January 1969 [see 14.2.69 p. 159], the representatives on the UN Security Council of Britain, France, the Soviet Union and the United States, all permanent members of the council, began holding a series of meetings in New York with a view to contributing to a Middle East settlement in the context of the Security Council resolution of 22nd November 1967 [see 8.12.67 p. 1228]

At a press conference in Geneva on 4th May, the UN Secretary-General [illegible]

of solutions ' within the framework of the resolution of November 1967, which was the ' only basis by which enduring peace with justice ' could be established in the area. ' Greater involvement ' of the permanent members, he said, was essential for proper implementation of the resolution. If the permanent members could reach some agreed formula, it would be a ' tremendous help ' to Dr. Jarring, his special representative in the Middle East, who in spite of over one and a half years of quiet and patient efforts had been unable to achieve any perceptible results.

While the talks between the representatives of the four Powers were continuing in New York, direct bilateral discussions were also taking place in Washington between the United States and Soviet Governments. On 9th June the US Assistant Secretary of State, Mr. Sisco, presented certain ' concrete ideas ' to the Soviet Ambassador for consideration by the Soviet Government, and this was followed by the visits of Mr. Gromyko, the Soviet Foreign Minister, to Cairo (10th to 13th June) and of Mrs. Golda Meir, the Israel Prime Minister, to London on 11th June for a week.

On 1st July it was announced that the New York four-Power talks would be adjourned for the summer ' because of important consultations on the Middle East taking place among the four Governments ' Meanwhile the permanent representatives had entrusted a working group of their deputies with the task of continuing the consultations.

Although the four-Power discussions in New York were not in fact resumed until 2nd December, the question of the Middle East was referred to by many speakers in the opening debate of the annual session of the UN General Assembly, and Dr. Jarring spent three weeks in New York from 15th September for consultations with the UN Secretary-General and the parties concerned. When Dr. Jarring left on 9th October for Moscow, where he is the Swedish Ambassador, it was stated that he would continue to keep closely in touch with developments and intended to resume his active efforts at the appropriate time.

Four-Power Statement

On 20th September the Foreign Ministers of Britain, France, the Soviet Union and the United States were entertained to a dinner by U Thant in New York and discussed the situation in the Middle East which, according to an agreed statement, they regarded as ' increasingly serious and urgent ' The statement said the four Foreign Ministers had reaffirmed that the Security Council resolution of November 1967 ' should be supported and carried out ', agreed that durable peace should be established in the Middle East, and ' reaffirmed that all states in the Middle East have an inalienable right to exist as independent and sovereign states '

British Views on a Settlement

Addressing the UN General Assembly on 22nd September, the British Foreign and Commonwealth Secretary, Mr. Michael Stewart, drew attention to the little progress that had been made over the preceding year, while in the meantime there had been continued violence to the point that the cease-fire in the Middle East had broken down. This violence had made a future settlement more difficult to obtain, yet a comprehensive political settlement was essential. He went on to stress the need for a flexible approach as to methods, the need for the form of the settlement to place ' inescapable obligations ' on all the parties to live at peace with one another, and the need for the content of the settlement to put into effect all the provisions of the resolution of 22nd November 1967.

The Middle East settlement was also raised in a foreign affairs debate in the House of Commons on 30th October. In his opening speech (*Hansard*,

cols. 358-66) Mr. Stewart again stressed the 'imperative need' for a political settlement. He believed that if any of the countries in the region imagined that they had anything to gain by merely prolonging the present situation they were disastrously mistaken, because there would be a gradual hardening of opinion both in Israel and in the Arab countries which would make ultimate settlement more difficult, if not impossible. It was fair to say that the Government of Israel should give particular attention to this aspect of the situation. Mr Stewart went on to stress that he would seek, in what he had to say, not to be a partisan of either Israel or the Arab states because he felt that the overwhelming moral and material interest of Britain was an agreed settlement This mattered far more to Britain, and to mankind, than an attempt to secure some precise advantage on some point for one side or the other

Turning to the mechanics by which a settlement could be reached, Mr Stewart said that the basis must be the November 1967 resolution Ever since then the task had been to try to turn it into 'a practical timetable of actions to be performed by all the parties concerned, at the end of which the whole resolution and not just those bits which please one side or the other would be carried out'.

The Foreign and Commonwealth Secretary said that the object of the four Power discussions in New York was to try to create by common counsel such a body of guidance and proposals for Dr Jarring as would enable him to turn his mission into a reality' One essential item in such proposals was in the words of the 1967 resolution, 'a just and lasting peace' and this implied had been clearly stated by the four permanent members of the Security Council on 20th September the right of Israel to exist as a state in the Middle East along with her neighbours Neither Britain nor any of the other four Powers would depart from the proposition that an essential element in a settlement was 'the undoubted recognition not only of Israel's right to exist but of her right to be at peace, with all that follows from being at peace the use of · international waterways, and anything else'

Turning to the question of negotiations between the parties Mr Stew said he believed it would be a great advance if the Arab countries would s that they would negotiate direct with Israel but he continued Israel wou be mistaken if she said that because they will not do that she will not mak any move towards a settlement'

Another part of any useful guidance to Dr Jarring Mr Stewart decla must be secure and recognised borders between Israel and her neighbo Thirdly, there must be 'no doubt at all about the withdrawal of Israeli forces from the territories of her neighbours'[1] He wondered if it might be poss to 'marry together somehow the insistent and legitimate demand by Is for a just and lasting peace and security, and the insistent and legitimate dem by the Arab countries for withdrawal' The other element that must be comp in the guidance was a real move forward to relieve the distress of the refugees

Winding up the debate on the same day, the Chancellor of the Duchy of Lancaster, Mr George Thomson (*Hansard*, cols 429 500), referred to the British Government's part in the effort to secure a settlement He recalled that Britain had played an active role in the drafting of the resolution of November 1967 and said that since then the British Government had exerted steady pressure on all concerned to recognise that an early settlement would be in their best interests. Britain had been, and would continue to be, as active as possible Mr. Thomson said that during the summer he had visited both the U AR where he had seen President Nasser, and the Lebanon, and was shortly to vis

[1] Asked in the House of Commons on 17th November 1969 (*Hansard* cols 844 5) what was the British Government's interpretation of the wording of the 1967 resolution regarding withdrawal, Mr Stewart said that 'the resolution speaks of secure and recognised boundaries Those words must be read con

Israel for talks with Mrs. Meir and other Israeli Ministers. The British Government, he declared, ' remain ready to make further contributions whenever they judge that it would be of practical help in securing a settlement of this threatening situation in the Middle East '.

Resumption of Discussions

The four-Power talks resumed in New York on 2nd December In a communiqué issued on that date the representatives of the four Powers stressed the urgency of their consultations, reaffirmed the points set out in the Foreign Ministers' statement of 20th September, and expressed their readiness to consider at their meetings specific questions concerning the implementation of the November 1967 resolution ' in all its aspects as a " package-deal " relating to the entire region of conflict in the Middle East '

United States Proposals

In the autumn of 1969, the United States Government, whose bilateral direct consultations with the Soviet Union had continued while the four-Power talks were adjourned, submitted to the Soviet Government two separate sets of formulas designed to deal with the aspects of the overall settlement which related specifically to the relations between Israel and the UAR and those between Israel and Jordan

In a speech on 9th December, the US Secretary of State, Mr. William P Rogers, outlined the new formulas relating to a settlement between Israel and the UAR which his Government had submitted to the Soviet Union on 28th October. He emphasised first that the United States and the Soviet Union in their bilateral discussions had been concentrating on the questions of a settlement between Israel and the UAR, in the full understanding on both sides that before there could be a settlement of the Arab-Israel conflict there must be agreement between the parties on other aspects of the settlement, i e between Israel and individual Arab states

The new formulas submitted to the Soviet Union in October consisted, he said, of three principal elements. Firstly, there should be ' a binding commitment by Israel and the UAR to peace with each other, with all the specific obligations of peace spelled out, including the obligation to prevent hostile acts originating from their respective territories ' Secondly, the detailed provisions of peace relating to security safeguards on the ground should be worked out between the parties under Dr Jarring's auspices, using the procedures followed in 1949 at Rhodes [1] As far as a settlement between Israel and the UAR was concerned these safeguards related primarily to the area of Sharm el Sheikh (at the entrance to the Gulf of Aqaba), the need for demilitarised zones, and final arrangements in the Gaza Strip. Thirdly, ' in the context of peace and agreement on specific security safeguards, withdrawal of Israeli forces from Egyptian territory would be required '

Similar formulas, relating to the Israel-Jordan aspects of a settlement, were outlined on 18th December to a meeting of the representatives of the four Powers in New York. According to press reports which have received some measure of confirmation from official sources, the main features of the United States plan included the negotiation of a final and binding accord between Jordan and Israel under the auspices of Dr. Jarring and using the ' Rhodes ' formula, the agreement between the two sides of a permanent frontier, approximating the 1949 armistice demarcation line but allowing small alterations; the

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[1] Between February and July 1949 the UN mediator, Dr Ralph Bunche, succeeded in bringing about indirect negotiations at Rhodes between Israel and each of the Arab states When a basis for agreement was reached Dr Bunche was able to bring about direct talks, as a result of which separate armistice agreements were signed, both by Israel and by the Arab state concerned

negotiation of an agreement on the future status of Jerusalem[2] and on the administration of the Gaza Strip, and the negotiation of a refugee settlement under which refugees would have a choice of repatriation to Israel or to other Arab countries with compensation by Israel. The US Government proposed that the Israel-Jordan peace agreement would come into effect only upon achievement of a similarly negotiated agreement between Israel and the UAR

US Proposals Rejected

The United States formulas for a settlement were described as piecemeal solutions and therefore unacceptable by both Jordan and the UAR. The Israel Government, in a Cabinet statement on 22nd December, rejected the proposals outright as ignoring the need to establish secure and agreed borders through direct negotiations, infringing Israel's sovereign rights and security on the question of the refugees and the status of Jerusalem, and failing to commit the Arab states to ending the hostile acts of the Palestinian *fedayeen* organisations

The United States proposals of 28th October were also rejected in a Soviet Note dated 23rd December. According to press reports which have received official confirmation, the Soviet Government criticised the proposals as pro-Israeli, asserted that the US Government had failed to give the withdrawal of Israeli forces the supreme importance which the resolution of November 1967 demanded, objected to proposed Israeli participation in deciding the future of the Gaza Strip and rejected any ambiguity regarding UAR sovereignty over Sharm el Sheikh. The Soviet Note also criticised the US proposals for Rhodes-type negotiations. A US State Department spokesman confirmed on 14th January 1970 that there had been a ' pause ' in the bilateral dialogue between the United States and the Soviet Union but said that the four-Power talks continued in being

French Government Statement

After a meeting of the French Council of Ministers on 14th January 1970 an official spokeman outlined the French Government's Middle East policy which, he said, consisted of two clearly distinguished aspects Firstly, there was France's Mediterranean policy, dependent on ' the single fact of our geographical position and our very close co-operation in various fields with the three Maghreb countries (Algeria, Morocco and Tunisia)

Secondly, there was the Arab-Israel dispute, in which the French Government maintained its position. France, he stated, favoured ' anything which could lead to a peace settlement providing a secure existence for the different countries of the Middle East and in particular the recognition of Israel's right to security, to free navigation and, more generally, to possess and peacefully enjoy all the rights of a sovereign state '. The spokesman stated that France's recognition of Israel's right to security ' implies the recognition of frontiers, the right to live in peace within recognised frontiers ' On 21st January the French Prime Minister M Chaban-Delmas, told a meeting of Gaullist Deputies in Paris that France was making new proposals at the four-Power meetings in New York

Exchanges of Messages with Soviet Union

Messages from Mr Kosygin, Soviet Prime Minister, were delivered to the United States, British and French Governments between 31st January and 2nd February. The Notes expressed the Soviet Government's concern at the recent intensification of breaches of the Arab-Israel cease-fire (for which Israel

[2] In his speech of 9th December, the US Secretary of State had put forward the concept of Jerusalem as ' a unified city within which there would no longer be restrictions on the movement of persons and goods and with open access to it for persons of all faiths and nationalities There should be, he said, ' roles for both Israel and Jordan in the civic, economic and religious life of the city '

was blamed), in particular Israeli air strikes in the Nile valley, and tank engagements on the Syria-Israel border (see p. 211), and urged the need for progress towards a peaceful solution.

The British Government's reply was delivered to Mr. Kosygin on 6th February. It emphasised Britain's deep concern about the deterioration of the situation: the need to re-establish an effective cease-fire; Britain's support of the November 1967 resolution, and especially the twin principles of withdrawal and commitment to peace; and the British Government's willingness to work for a general agreement on arms limitation even in advance of a political settlement, for which Britain would continue to strive.

The United States and French replies to Mr. Kosygin's message were delivered on 4th and 7th February respectively. A US Government spokesman said that the British and French Governments had been consulted before the reply. The spokesman said that Mr. Nixon's message had indicated to Mr. Kosygin that the United States was willing to start discussions to limit arms sales to the Middle East; had called for a constructive Soviet response to the US proposals of 28th October and 18th December, and supported attempts to restore the UN cease-fire in the Middle East.

A United Nations spokesman stated on 5th February that '*in principle* the UN Secretary-General would favour an arms embargo in the context of the Middle East situation. The criterion for such an embargo would be its effectiveness and its application to arms provided both by governments and obtained from private sources.' He explained that the statement referred to 'all arms' and to the region of the Middle East, not just to the immediate parties to the Arab-Israel conflict.

UNITED NATIONS PROCEEDINGS

Arab-Israel relations were the subject of Security Council action on three occasions during 1969, twice in relation to the Israeli occupation of the Old City of (east) Jerusalem, once in relation to complaints by Israel and Lebanon concerning armed attacks against each other's territory.

Jerusalem

On 26th June 1969 the Jordan Government requested an early meeting of the Security Council to consider what it termed 'further and intensified Israeli violations' of the council's resolution of 21st May 1968 concerning Jerusalem.[1] The Jordanian letter requesting the meeting referred to the enactment of new legislation by the Israeli authorities in 'utter disregard' of the will of the inhabitants of Jerusalem and to continued violation of 'basic human rights in the Holy City'. The legislation referred to—the 'Legal and Administrative Matters (Regulation) Law'—concerned the licensing of Arab businesses and professions in east Jerusalem.

When the Security Council began discussion of the complaint on 30th June, the UN Secretary-General circulated a memorandum which noted *inter alia* new regulations by the Israeli authorities which, he stated, would appear to postpone certain provisions of the law for six months.

The representative of Jordan, Mr. El-Farra, told the council on 30th June that the object of the new law was 'to complete the process of Israel's unilateral

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[1] In this resolution, the Security Council had stated that 'all legislation and administrative measures and actions taken by Israel, including expropriation of land and properties thereon, which tend to change the legal status of Jerusalem are invalid and cannot change that status' and had called on Israel to rescind such measures and to desist forthwith from taking any further such action.

annexation of Jerusalem ', and that it left Arab firms with no alternative but ' to be totally absorbed in the Israel economy ' or to be automatically liquidated This and previous Israeli acts, he said, had as their object the total unilateral annexation of Jerusalem and the liquidation of the Arab character of the Old City. Mr. El-Farra also complained of the expropriation by Israel of land and buildings in east Jerusalem and of the demolition of Arab houses.

The Israel representative, Mr Tekoah, stated in reply that the law of which Jordan was complaining provided for the issue of licences and facilitated the continued and lawful conduct of Arab businesses and professions in Jerusalem The Jordanian complaint about the demolition of houses related, he said, to ' the demolition of a few slum structures in danger of collapse ' Mr Tekoah spoke of Jerusalem's present ' unity and integrity ' and declared that ' Jerusalem will forever be united '.

The British representative, Lord Caradon, reaffirmed the British Government's support of ' the principle that no unilateral action should or can change the status of Jerusalem ' Regarding the question of Jerusalem in the wider context of negotiations for peace in the Middle East, he said ' To prejudice the future of Jerusalem would be to deny the hope the possibility of any solution at all '. The problem of the city must be settled ' with respect to the rights of all including both sides, and all the religious denominations which look to Jerusalem as the Holy City '.

On 3rd July the Security Council adopted unanimously a resolution which deplored the failure of Israel to show any regard for previous General Assembly and Security Council resolutions on Jerusalem censured in the strongest terms all measures taken to change the status of the city, confirmed that such measures including expropriation of land and dwellings thereon, were invalid and called upon Israel to rescind forthwith all such measures taken by it The United States, while supporting the resolution as a whole abstained in a separate vote on this last paragraph The Security Council remained seized of the question pending Israel's response

The Al Aqsa Mosque Fire

At the request of 25 Moslem states, the Security Council began consideration on 9th September of ' the grievous situation resulting from the extensive damage caused by arson to the Holy Al Aqsa Mosque (see p 212)

A number of representatives of Arab states spoke of their people's outrage over the burning of the mosque and asserted that Israel's responsibility had been amply proved, the act could have happened only under Israel's occupation of the city They were supported in this view by the representatives of some other states including Senegal and Zambia

Other members of the Security Council, however such as Nepal and Colombia, felt that the council could not be in a position to assess responsibility without a full and impartial investigation of the fire The need for such an investigation was also emphasised by the representatives of France and the United States. The latter pointed out that without prejudging the investigation there was no evidence that the arson was other than an individual act The US representative, Mr Yost, also said that the draft resolution sponsored by Pakistan (see below) had gone far beyond the purpose for which the council had been called, it was going again over the ground covered in the July debate (see above).

A draft resolution sponsored by Pakistan was adopted by the Security Council on 15th September by 11 votes in favour (including Britain) to none against, with 4 abstentions (Colombia, Finland, Paraguay and the United States). By its terms the council reaffirmed its previous resolutions on Jerusalem and recognised that ' any act of destruction or profanation of the Holy Places religious buildings and sites in Jerusalem or any encouragement of, or connivance

at, any such act may seriously endanger international peace and security' It also determined that 'the execrable act of desecration and profanation of the mosque emphasised the 'immediate necessity' of Israel desisting fron acting in violation of previous resolutions and rescinding all measures it hac taken to alter the status of Jerusalem. The resolution also called upon Israe to 'refrain from causing any hindrance to the discharge of the establishec functions of the Supreme Muslim Council of Jerusalem. . . .'

Speaking in explanation of the British delegation's affirmative vote, Lorc Caradon said that the British Government was not really satisfied with th result of the council's deliberations and would have preferred a clear anc unanimous decision of the council. Like many other members, Britain deplorec the accusations which had been made or implied without adequate evidence He welcomed, however, the Pakistan representatives' statement that the sponsor 'allege no complicity by Israel in the act of 21st August' because the Britisl Government, too, did not hold the Israel Government guilty or at fault ir regard to the fire His Government, Lord Caradon said, was able to vote fo the resolution because it saw in it 'the essentials of a reaffirmation of the stanc we have taken on Jerusalem and a condemnation of the contemptible act o arson'

Attack on Lebanon Condemned

The Security Council also met from 13th to 26th August 1969 to conside complaints by Lebanon and Israel concerning armed attacks against each other territory

When the debate began, the Lebanese representative, Mr Ghorra, statec that on 11th August Israeli aircraft had attacked Lebanese border villages killing four civilians Israel, he said, had spoken of attack by Palestiniai commandos from Lebanese territory, but if it had cause for complaint it shoulc resort to UN armistice machinery in the area. The Lebanon could not be respon sible for the acts of the Palestinians who had 'taken up arms against the occupier in self-defence Mr Ghorra urged the council to apply sanction against Israel

The Israeli representative, Mr Tekoah, told the council that 21 attack by 'terrorist squads' had been launched against Israel from the Lebanon ir the past month Shellings and mining raids from Lebanese territory had beei going on day after day, endangering innocent civilians, and 'Israel had nc alternative but to resort to self-defence' The Lebanon, he said, should assume the full responsibility of a sovereign Government for barring its territory tc aggressors

Mr Warner (Britain), speaking on 15th August, reaffirmed the Britisl Government's view deploring all violations of the cease-fire and acts of violenc in the Middle East Specifically, he said, his Government deplored the action complained of by both the Lebanon and Israel. If it were true that 21 attack had been carried out against Israeli-inhabited localities then there had beei provocation But such provocation could not justify the bombing attacks o villages described by the Lebanese Government.

UN Secretary-General Proposes Observers

In identical letters to Israel and Lebanon, the UN Secretary-Genera U Thant on 16th August proposed that UN observers 'in adequate number tc observe effectively' be stationed on both sides of the Israel-Lebanon cease-fir line. In his letters, U Thant said he found the situation in the Israel-Lebanoi sector very disturbing. Since June 1967 there had been no effective UN observa tion operation in the area, there was only token observer representation on th Lebanese side and none on the Israeli side. It was not possible, therefore, tc

provide the Security Council with verified accounts of incidents in this sector' and this could not but adversely affect the consideration of the question in the council. The Secretary-General's proposal was welcomed by both the British and United States representatives.

The Lebanese Government, replying on 18th August, said that it continued to 'adhere scrupulously' to the Israel-Lebanon Armistice Agreement of 23rd March 1949 and, if the need arose, would agree to strengthening its machinery [see 9.12.66 p. 1251]. The Israel Government, in a letter to the UN Secretary-General on 25th August, stated there was 'no point' in studying further his proposal since the Lebanon appeared to insist that observers be stationed only within the framework of the 1949 agreement [1] The Israel Government would be prepared, the letter continued, to give its considered views if and when it were informed that the Lebanon was willing to accept the Secretary-General's proposal as defined in his letter of 16th August

Resolution Adopted

On 26th August the Security Council unanimously adopted a consensus resolution which, after recalling the Armistice Agreement of 1949 and the cease-fire established between Israel and the Lebanon in June 1967, condemned 'the premeditated air attack by Israel on villages in southern Lebanon [illegible] and deplored 'all violent incidents in violation of the cease-fire

CONTINUED BREACHES OF CEASE-FIRE AGREEMENTS

The pattern of breaches, by both sides, of the cease-fire agreements of June 1967 between Israel and the neighbouring Arab states, accompanied by sabotage activities by *fedayeen* of the various Palestine guerrilla groups, continued during 1969 and early 1970 on an even more serious scale than during [illegible] half of 1968 [see 14 2 69 pp 160-2]

The UN Secretary-General drew attention to this intensification of [illegible] fighting in a number of reports to the Security Council during 1969 On [illegible] April he referred to the 'critical situation' in the Suez Canal sector where, he said, the council's cease-fire had 'become almost totally ineffective' [illegible] that 'a virtual state of war now exists there On 2nd May in a further report he expressed increasing concern about the threat to the effective [illegible] observation of the cease-fire in the Suez Canal area On 7th July the Secretary-General reported to the council that since early June there had been [illegible] fication and daily extended exchanges of heavy weapons fire [illegible] 'The pattern of acts of violence and reprisal, including a pronounced increase in aerial activity, has become', the report stated, 'almost routine [illegible] that many of these activities are announced by the parties themselves imp[illegible] tacit recognition by them that the cease-fire demanded by the Security Council in June 1967, to all practical intents and purposes has ceased to be respected in the Suez Canal sector '

On 30th July U Thant told the Security Council that the death by shellfire of a Swedish major belonging to the UN Truce Supervision Organisation [illegible] the Canal sector was 'a dramatic symptom of the breakdown of the cease-fire [illegible] a development of the utmost seriousness. The Secretary-General's appeal to Israel and the UAR to respect both the cease-fire and the UN military observers who supervise it was strongly endorsed on 1st August by the British Government which expressed deep concern at the increase in violence across the canal [illegible]

[1] In the view of the Israel Government the 1949 Armistice Agreement had been gradually undermined by events before the June 1967 hostilities and had now lost its validity, it should be replaced by [illegible] [illegible] of peace [see 8 12 67 p. 1266]

the harmful consequences this might have on the prospects for a peaceful settlement in the Middle East.

On 12th September U Thant, appealing to the permanent members of the Security Council to redouble their efforts towards a Middle East settlement, blamed the constant deterioration of this situation on ' the failure of member-States concerned to abide by their Charter obligations '.

The majority of incidents during 1969 consisted of minor exchanges of fire across the cease-fire lines and sabotage activities by Palestinian *fedayeen*. There were, however, a considerable number of serious incidents, the more significant of which (including one giving rise to action in the Security Council) are set out below.

In contrast to the exchanges of artillery fire across the Suez Canal in 1968 and the first eight months of 1969, the major violations of the UAR-Israel cease-fire in the latter part of 1969 were commonly commando and bombing attacks by Israel on targets along the Red Sea coast and in the vicinity of the Nile, and, to a lesser extent, by the UAR against targets in Sinai.

In a radio broadcast on 3rd February 1970 Mrs. Meir, Israel Prime Minister, said that the air raids would continue as long as Egypt ignored the cease-fire agreement [The UAR Government was reported, on 23rd April 1969, to have told General Odd Bull, the head of the UN Truce Supervision Organisation, that it no longer regarded the Suez Canal cease-fire line as having indefinite validity.] Mrs Meir went on to say that the moment the Arab states decided that the cease-fire lines committed both sides, there would be no air attacks by Israel Mrs Meir repeated, specifically to the UAR, the call for mutual full observance of the cease-fire, in a statement to the Israel Knesset (Parliament) on 17th February. President Nasser, in an interview with the French newspaper *Le Monde* broadcast by Cairo Radio on 18th February, said he could not agree with (French) proposals for the restoration of the cease-fire. ' This proposal would fulfil Israel's aspirations, because the suspension of the military operations would give the enemy time to continue his colonisation of the occupied territory. . . We shall not accept the cease-fire until the date of withdrawal is fixed '

February 1969

21 A charge which exploded in a Jerusalem supermarket killed two Israelis and wounded nine others. Responsibility for the explosion was claimed by the Popular Front for the Liberation of Palestine (PFLP).

24 Israeli jet aircraft bombed two *Al Fatah* guerrilla bases in Syria, at El Hamme (near Damascus) and Maisaloun. UN observers reported 20 civilian casualties, of whom nine died.

March

6 A plastic bomb exploded in the cafeteria of the Jewish National and University Library, wounding 29 persons.

8-24 Six days of heavy exchanges of artillery fire during this period along the Suez Canal, during which the UAR Chief of Staff, Major-General Abdul Moneim Riad, was killed on 9th March.

April

8 *Fedayeen* launched rockets from Aqaba at the Israel port of Eilat, damaging buildings and wounding civilians. Israeli planes bombed the launching site at Aqaba shortly afterwards.

29 Israeli commandos attacked the Aswan-Cairo high tension power lines and other targets at Nag Hammadi and Edfou (in the Luxor area) on the Nile

May

31 Arab *fedayeen* of the PFLP severely damaged the trans-Arabian oil pipeline (TAP line) where it passes through Israeli-occupied territory in the Golan Heights area. The pipeline, which carries oil from the ARAMCO fields in Saudi Arabia to Sidon in Lebanon, remained cut until August

June

30 Israeli commandos made a third attack on the Aswan-Cairo high tension power line at Sohag in Upper Egypt

Fedayeen of the *Al Fatah* organisation placed explosive charges [illegible] which blew up in a Tel Aviv street injuring 10 perso[illegible]

July

8 In the biggest air encounter since June 196[illegible] over the Golan Heights area, Syria claimed that its aircraft had shot down four Israeli [illegible] Israel claimed the destruction of seven Syrian aircraft

20-24 On 20th July Israeli forces attacked and occupied for a short period an Egyptian fortified "island" in the Gulf of Suez and there were heavy artillery and aerial encounters across the Suez Canal. There were further heavy artillery duels and breaches of the cease-fire [illegible] sides in the Canal area on 21st and 24th July

September

3 Israeli aircraft bombed *fedayeen* bases in southern Lebanon [illegible] for a rocket attack from Lebanese territory [illegible] Israeli [illegible] Qiriat Shemona

7-9 An Israeli raid (7th September) on an Egyptian [illegible] on [illegible] western shore of the Gulf of Suez was followed on the 9th by a [illegible] Israeli raid (including the use of armour) on the Egyptian military installations along a 30-mile strip of the western shore of the Gulf

28 UAR airborne troops attacked Israeli positions in Sinai [illegible] 50 [illegible] of the Suez Canal

October

22-23 Six separate bomb attacks by *fedayeen* of the *Al Fatah* [illegible] damaged dwellings and caused casualties in H[illegible]

November

8 UAR naval forces shelled Israeli installations [illegible] S[illegible] [illegible] east of Port Said

16 Explosive charges, placed by frogmen damaged two Israeli vessels a 13,000-ton freighter and a 1,700-ton excursion ship, in the port of Eilat on the Gulf of Aqaba responsibility for the attack was claimed by the UAR

December

3 Israeli helicopter-borne forces attacked two *fedayeen* camps near [illegible] in the Mount Hermon area of Lebanon

10-11 Twenty-four hours after an attack from Syria on Israeli positions in the Golan Heights area, Israeli aircraft attacked airfields and other military targets in Syria and an air battle took place over the Damascus area

20 Israeli aircraft and artillery made a four-hour attack on *fedayeen* positions on the east bank of the Jordan opposite Beit Shean (south of Lake Tiberias) in retaliation for an intensification of attacks on Israeli settlements.

25-26 Israeli aircraft made heavy raids on successive days on UAR missile sites and gun emplacements in the Suez Canal area.

27 Israel raided an Egyptian base at Ras Gharib (south of Suez) and claimed to have seized intact (and removed to Israel) a complete advanced radar installation of Soviet manufacture.

January 1970

1-3 Following a *fedayeen* raid on 1st January from Lebanese territory, in which an Israeli civilian watchman was captured and taken to Lebanon, Israeli ground forces raided a Lebanese border village in the same area on 3rd January, capturing 21 persons, including 10 soldiers

4-13 Intensified air activity on both sides of the UAR-Israel cease-fire line included numerous air battles, a series of bombing raids in which Israel claimed its aircraft had attacked Egyptian military camps and targets lying between the Suez Canal and El Khanka (13 miles north-east of Cairo), and an Egyptian raid in which, according to UAR sources, an Israeli rocket base at Ras Sidr (on the west coast of Sinai) was destroyed.

20-21 Israeli armoured column entered Jordanian territory in the Safi area (south of the Dead Sea) and engaged *fedayeen* units, inflicting casualties. Saudi Arabian forces stationed in Jordan were reported to have been engaged

20-23 An Israeli airborne unit landed on the large Egyptian island of Shadwan at the entrance of the Gulf of Suez and captured it after prolonged resistance Both sides claimed to have inflicted substantial casualties. Israeli forces withdrew after capturing an important radar installation.

25 UAR claimed the destruction of an Israeli radar station, while Israel claimed serious damage when Israeli aircraft attacked an Egyptian naval auxiliary transport ship

27 UAR commandos attacked, and claimed to have destroyed, the main Israeli command centre in Sinai nearly 150 miles east of the Suez Canal. Israel denied any damage to the command centre.

28 Israeli aircraft attacked UAR army camps near Cairo and Helwan

February

1-2 Air, artillery and tank encounters between Syrian and Israeli forces in the Golan Heights area

6 UAR frogmen sank an Israeli support ship and seriously damaged a transport vessel in Eilat harbour. Later the same day Israel claimed its aircraft had sunk in retaliation a 700-ton UAR minelayer in the Gulf of Suez

12 Israeli planes, in a raid directed at military installations in the Khanka area, bombed a factory at Abu Zabal (13 miles north of Cairo) killing some 70 civilians and wounding about 100. Mrs. Meir, the Israel Prime Minister, later described the bombing of the factory as a 'regrettable error'. Both the British and United States Governments immediately deplored such raids and the loss of civilian lives.

ARAB MEETINGS

Early on the morning of 21st August 1969 fire broke out in the Al Aqsa mosque, a major Moslem sanctuary, situated alongside the Mosque of Omar (the Dome of the Rock) in the Old City of Jerusalem. The fire damaged the ancient wooden roof and burnt a carved cedar-wood pulpit said to have been installed by Saladin the Great.

An Australian, Michel Denis Rohan, a member of a non-Jewish sect known as the Church of God, who was put on trial on 6th October charged with arson admitted setting fire to the mosque. He was found guilty but insane. A special commission (with two Arab and three Jewish members) set up by the Israel Government to investigate the fire, reported on 25th September that an employee of the Waqf (the Moslem body administering the mosque) had failed in his duty by allowing Rohan to enter the mosque out of permitted hours.

The Al Aqsa fire was immediately denounced by Arab Governments and public opinion as, in the words of President Nasser on 23rd August, a ' terrible crime against the holy of holies of our religion, history and civilisation '. The Jordanian Prime Minister, Mr. Bahjat al-Talhouni, described it on 21st August as ' the gravest aggression committed against the Arabs and Moslems in the recent epoch '. Several leaders of Arab states accused Israel of having deliberately started the fire and King Faisal of Saudi Arabia called for a *jihad* (holy war) ' to liberate the holy places in dear Palestine '. The Arab accusations were repudiated by Israel which, while expressing deep regret at the fire, pointed to the fact that the administration and security of the Al Aqsa mosque were exclusively in the hands of the Waqf and that another fire had occurred in the mosque in 1963 when Old Jerusalem was under Jordanian rule.

Islamic Summit Meeting

Steps were also taken, immediately after the news of the fire, to bring about a collective stand by Arab and Moslem states against Israel's continued occupation of Jerusalem and its Moslem shrines. King Hussein of Jordan in a message to all Arab heads of state on 21st August, called for an immediate Arab summit conference, while King Faisal, in reply, put forward the alternative proposal of a summit conference embracing all Islamic countries. After considering these proposals the Council of Arab Foreign Ministers meeting in Cairo on 25th and 26th August, agreed that an Islamic summit meeting should be held as soon as one could be organised and that the proposal for an Arab summit meeting should be further considered at a meeting of the Arab Joint Defence Council to be held early in November.

The summit conference of Islamic states met in Rabat, Morocco from 23rd to 26th September. It was attended by the heads of state and representatives of 22 states, under the chairmanship of King Hassan of Morocco. Representatives of the Palestine Liberation Organisation (PLO) attended as observers. The declaration issued at the end of the conference said that the participants after consideration of the Al Aqsa arson and the situation in the Middle East considered ' the continued threat upon the sacred shrines of Islam in Jerusalem is the result of the occupation of this city by the Israeli forces ', and called for the restoration of Jerusalem to its status previous to June 1967. The conference further appealed to all members of the international community to ' intensify their collective and individual efforts to secure the speedy withdrawal of Israeli military forces from all the territories occupied as a result of the war of June 1967 ', and finally affirmed its full support to the Palestinian people ' for the restitution of their rights ' and its adherence to the principle of peace with honour

Rabat Summit Conference

The Arab Defence Council, which met in Cairo from 8th to 10th November and which was attended by representatives of all the members of the Arab League except Tunisia, recommended the holding of a three-day conference of heads of state of all Arab countries at Rabat on 20th December. The council also proclaimed its conviction that it had become impossible to liberate the Arab territories by peaceful means and expressed its support for 'a large-scale and full political and military mobilisation in readiness for the forthcoming inevitable battle' The Palestine revolution would, the council stated, be supported 'with all Arab resources'.

The Conference

The fifth conference of kings and heads of state of the Arab League was held in Rabat from 21st to 23rd December. Much of the conference was held in closed session. Of the 14 member-states of the league, 11 were represented by heads of states and three—Tunisia, Iraq and Syria—by ministers (due in the case of Tunisia and Iraq, to the illness of their Presidents). The conference was also attended by a delegation from the PLO, led by its chairman, Mr. Yassir Arafat. The four previous meetings were held at Cairo (January 1964), Alexandria (September 1964), Cassablanca (September 1965) and Khartoum (August 1967) [see 9.11.65 pp. 1111-12 and 29.9.67 p. 982].

According to press reports, the conference, in discussing the first item on the agenda Arab mobilisation had before it a detailed report by the UAR Chief of Staff, General Muhammed Fawzi, which took into account the particular situation of each Arab country and assessed what contribution it could make, financially or otherwise, to the common cause. Cairo Radio stated that 'in its last hours the conference had faced a strong crisis as a result of clear differences of view regarding the Arab countries' undertakings for the mobilisation of Arab military resources for the battle'.

A second item on the agenda was support for Palestinian resistance inside Israeli-occupied territories, for which the PLO was reported to have requested an annual budget of 16 million Jordanian dinars (about £18 4 million) and only to have received at the conference JD4 million—from Libya, which undertook to contribute up to 25 per cent of the PLO budget. Mr. Arafat, the PLO chairman, toured Arab states after the conference with a view to obtaining further support.

Agreement was also apparently reached at Rabat for special financial aid for the UAR from Libya, Saudi Arabia and Kuwait in addition the annual financial aid which the three states have been paying to the UAR and Jordan since the Khartoum conference. The total sum involved has been variously reported as between £25 million and £40 million.

During the first session of the conference a serious disagreement arose when the South Yemen delegation, supported by the Republic of Yemen, sought to raise the question of the dispute with Saudi Arabia in November 1969 over the frontier post of Wadieh [see 30.1.70 p. 104]. This was rejected and the dispute referred to Algerian and Moroccan mediation. The Rabat conference closed late on 23rd December without issuing any communiqué.

Arab 'Front-line' Conference

A conference of five 'front-line' Arab states was held in Cairo from 7th to 9th February 1970. It was attended by President Nasser of the UAR, King Hussein of Jordan, President Nureddin El Atassi of Syria, Major-General Ja'afar al Numairi, Prime Minister of the Sudan, and the Iraqi Minister of the Interior. The Libyan head of state, Colonel al-Qadhafi, did not attend but pledged Libya's full support for any decisions reached.

The communiqué issued at the close of the conference affirmed the deter-ination of the participants to 'pursue their struggle against the enemy' and illed on the entire Arab nation to mobilise all its resources and potential to rge a united front. The communiqué said that a major share of responsibility r the present crisis must be borne by the United States, which had continued give arms to Israel and had encouraged Israel to defy United Nations resolu-ons and continue its occupation of Arab territories.

EDAYEEN' ACTIVITIES

e year 1969 saw a considerable measure of unification among the principal lestinian resistance organisations [see 14 2 69 pp. 164-6] At a meeting held Cairo on 4th February 1969 under the auspices of the Palestine Liberation ganisation (PLO), representatives of *Al Fatah*, *As Sa'qah* and the Demo atic Popular Front elected a new PLO Executive Council Mr Yassir Arafat lso known as Abu Ammar), leader of *Al Fatah*, became the council's chairman d three other *Al Fatah* representatives were elected to the 12-man council n 3rd June the PLO announced that it had formed a Palestine Armed Struggle ommand which combined the *fedayeen* of the organisations represented at e February meeting together with the PLO's long-standing military arm the lestine Liberation Army

The most significant organisation to remain outside the PLO has been the pular Front for the Liberation of Palestine (PFLP), which has claimed ponsibility for a number of attacks during 1969 on Israeli airliners and for mb attacks on 'Israeli' targets outside the Middle East (see p 216-7)

The increasing power of these *fedayeen* organisations to affect the course the Arab-Israel dispute was made clear by the crisis in their relations with e Lebanese Government which came to a head in October-November 1969 e below) In December the PLO participated as a full member of the Rabat nmit conference (see p 213) On 10th December Mr Kosygin the Soviet me Minister, speaking at a lunch in Moscow in honour of a UAR delegation ich included the Foreign Minister, Dr Riad, and President Nasser's personal resentative, Colonel Anwar as-Sadat, stated that 'the Soviet people considers e struggle of the Palestinian organisations for abolition of the consequences the [Israeli] aggression as a just national liberation and anti-imperialist uggle and supports this struggle' A delegation from the Palestinian organisa-ns led by Mr Yassir Arafat, arrived in Moscow on 10th February 1970 for . it at the invitation, according to a Soviet announcement of the Soviet Afro-ian Solidarity Committee

e Lebanon Crisis

The chain of events which led to armed confrontation between the Lebanese ned forces and the *fedayeen* in October 1969 can be said to have started with Israeli retaliatory raid on Beirut airport on 28th December 1968 [see 14 2 69 162]. The Lebanese Prime Minister, Mr Abdulla Yafi, in tendering the ignation of his Government to President Helou on 8th January 1969, laid the me, in part at least, on 'the events resulting from the Israeli aggression the Lebanon'. Mr. Yafi was succeeded by Mr Rashid Karami who formed Government on 15th January.

On 24th April the Karami Government resigned after two days of serious ing in most of the principal towns. During the riots Palestine refugees and ayeen clashed with police and troops and there were a number of deaths ring a debate on these events in the Lebanese parliament, Moslem leaders particular were critical both of the actions of the security forces and of

government policy towards the *fedayeen*. Mr. Karami, in winding up the debate, said that there were two sides in Lebanon one saying commando action should be carried on from Lebanon whatever the consequences and another opposing this view, and announced ' that his Government would resign on the grounds that, in the face of these diametrically opposed views, the Government could take no action without splitting the country '. Although clashes between armed demonstrators and the Lebanese security forces stopped fairly quickly, enabling the state of emergency imposed on 23rd April to be ended on the 28th, the political crisis continued Mr. Karami was again appointed as Prime Minister by the President on 21st May but for the next five months he was forced to carry on the day-to-day administration on a caretaker basis, being unable to form a united Government.

The situation was made more serious on 28th August by clashes between Lebanese army units and thousands of Palestinian demonstrators in the Nahr al Barid refugee camp.

On 18th October Lebanese security forces and Palestinian *fedayeen* clashed near the village of Majdal Slem in south-eastern Lebanon, one Palestinian and one soldier were killed and there were several wounded The clash led to some 15 days of open fighting during which the *fedayeen* attempted to capture a number of villages and military posts which command the routes to the north-west of Mount Hermon leading from Syria to the southern area of Lebanon bordering on Israel in which both sides suffered substantial casualties. On 22nd October the Syrian Government, reportedly in sympathy with the *fedayeen*, unilaterally closed the border with Lebanon

The events in the Lebanon were viewed with increasing concern by other Arab governments Whereas the Baathist governments of Syria and Iraq openly supported the *fedayeen* against what they alleged to be a plot to liquidate Palestinian action, other governments, notably that of the UAR, sought to bring the parties together for discussions on how to end the fighting, and to reconcile their respective positions. The Lebanese Government's stand on the commando issue, as expressed by President Helou, was that while the Lebanon supported *fedayeen* activity, it rejected anything that did not guarantee the preservation of the country's sovereignty and territorial integrity. The *fedayeen* organisations, on the other hand, demanded complete freedom of movement and action throughout Lebanese territory

The Cairo Agreement

On 28th October a Lebanese Government delegation, headed by the Commander-in-Chief, General Emile Bustani, arrived in Cairo. The delegation's departure from Beirut had been preceded by a meeting on 27th October called by President Helou, which had been attended by General Bustani and by Mr. Karami, who had on 22nd October tendered his resignation from the position of Prime Minister designate because of his refusal to accept responsibility for government policy in curbing the activities of the *fedayeen*. Discussions over the next two days between General Bustani and UAR Ministers led to UAR agreement to mediate and to the announcement by *Al Fatah*, the principal *fedayeen* body, of the operation of a temporary cease-fire in the Lebanon. A meeting eventually took place in Cairo on 2nd November between the Lebanese Government delegation and a Palestinian delegation led by Mr Yassir Arafat, chairman of the PLO, in the presence of the UAR Foreign Minister, Dr. Riad, and the War Minister, General Muhammed Fawzi. According to the official communiqué, agreement was reached to stop all military operations at midnight on 2nd-3rd November ' as well as all measures which had arisen from the crisis in the Lebanon and which are likely to stir tension anew '. The communiqué concluded by declaring that ' agreement was also reached on continued study with a view to a full accord being attained on all points, and of faith in Arab

solidarity, and to restore confidence and the spirit of Arab brotherhood between all concerned for the confrontation of the common enemy'.

Mr. Karami (who subsequently resumed office as Prime Minister, and succeeded in forming a Cabinet on 25th November) told the Lebanese Chamber of Deputies on 4th December that in the agreement due consideration had been given 'to the duty of preserving this country's sovereignty and security and to the need for extending all possible aid and support to the Palestine resistance to enable it to fulfil its mission'. Press reports from Beirut have stated that under agreements reached at and after the Cairo meeting, the Palestinian organisations undertook to observe three principal restrictions on their activities: not to fire from Lebanese territory into Israel, not to conduct military training inside refugee camps, and to maintain offices and bases only in areas agreed to by the Lebanese authorities.

Jordan and the Palestinian Organisations

The relationship between the Government of Jordan and the Palestinian organisations based in that country has been uneasy for over two years. Israel has on numerous occasions declared that it considered the Jordan Government responsible for the actions of Palestinian *fedayeen* groups which mounted raids in Jordan and fired rockets and mortars across the cease-fire line at targets in Israel and Israel-occupied territory. These raids and bombardments frequently led to heavy retaliatory action by Israel against Jordan, striking areas as far east as the railway line from Damascus, via Amman, to Ma'an.

On 10th February the Jordan Government announced security regulations which included bans on carrying arms in Amman and other cities, random shooting and on the holding of demonstrations and the storage of explosives. The *Al Fatah* organisation, in a broadcast on the same day, accused the Jordan Government of planning to 'liquidate' the Palestinian resistance movement. There followed a number of armed clashes, with some casualties, in Amman between government security forces and *fedayeen*. After a meeting held in Amman on 12th February between representatives of the Palestinian organisations and the Jordan Government, in the presence of King Hussein, Amman Radio announced on behalf of the Government that agreement had been reached to stop 'provocative acts' by 'all the sides' and that all the measures and steps taken and the causes of tension should be frozen.

A further meeting between the Jordan Government and representatives of the ten principal Palestinian organisation was held in Amman on 22nd February after the return from Moscow of Mr. Yassir Arafat. According to press reports a formal written agreement was reached, covering the points at issue. This was stated to include an undertaking that Palestinian commandos would not carry firearms in Jordanian towns unless they were on military business and that they would not indulge in random shooting. On the other hand the commandos would have a free hand in enforcing discipline within their own ranks and would have freedom both of personal movement and in the storage of arms and amunition.

Fedayeen' Attacks Outside the Middle East

In a statement issued on 9th September 1969, the Popular Front for the Liberation of Palestine (PFLP) said that its policy was to 'launch violent attacks on all Israeli and Zionist organisations because we consider ourselves in a state of war with Israel and those behind Israel until the complete liberation of Palestinian and Arab territories under occupation'. During 1969 and early 1970 there were a number of such attacks, for most of which the PFLP has claimed responsibility.

February 1969

18 Four Arabs, three men and a woman, claiming to be PFLP members, attacked an El Al (Israel) Boeing *720B* airliner with fire from automatic weapons as it was about to leave Zurich airport for Tel Aviv. The pilot was mortally injured and five other persons in the aircraft were wounded. One of the attackers was shot dead by an Israeli security guard on the plane. The remaining three attackers and the security guard were arrested and later tried by a Swiss court, which sentenced the three attackers to 12 years imprisonment for wilful murder but acquitted the security guard of murder under extenuating circumstances. The British and United States Governments condemned the attack on 19th February, pointing to the mortal risks which were entailed for innocent passengers in civil airliners.

August

25 Bomb attack by PFLP on London office of Israeli shipping line.

29 *Fedayeen* of the PFLP hijacked a Trans World Airlines' Boeing *707* airliner between Rome and Tel Aviv and forced it to land at Damascus. The airliner was badly damaged by a time bomb shortly after arrival. The crew and all but six Israelis out of the 101 passengers were allowed to leave Damascus almost immediately. All four Israeli women passengers were released soon afterwards but two Israeli male passengers were held in prison until they were exchanged for 13 Syrians (including two Syrian Air Force pilots) on 5th December. The hijacking led to strong protests by the US Government and the International Federation of Airline Pilot Associations.

September

8 Bomb and grenade attacks by members of the PFLP on the Israeli embassies at Bonn and The Hague and the offices of the El Al airline at Brussels

November

28 Two members of a Jordanian commando organisation, the Popular Struggle Front, threw a bomb into the Athens office of the El Al airline, killing a Greek boy aged 2 and injuring 13 other persons, including one British and three American citizens.

February 1970

10 Three Arabs were arrested after a grenade attack on passengers waiting for an El Al flight in a lounge at Munich airport. One passenger was killed and 11 others injured. Responsibility was claimed by the ' Action ' guerrilla organisation based in Jordan.

21 A Swissair *Coronado* airliner, flying from Zurich to Tel Aviv, exploded in mid-air and crashed near Baden, Switzerland, killing all 47 persons aboard. Earlier the same day an Austrian Airlines *Caravelle* aircraft, carrying mail for Israel, turned back to Frankfurt (and landed safely) after there had been an explosion in a mailbag. The PFLP at first claimed, but later retracted, responsibility for both incidents.

Equal Pay

BILL'S SECOND READING

On 9th February Mrs Barbara Castle, First Secretary of State and Secretary of State for Employment and Productivity, moved the second reading in the House of Commons of the Equal Pay (No. 2) Bill, which contains the Government's proposals for ending sex discrimination in pay by the end of 1975 (*Hansard*, cols. 913-1038). The main Opposition spokesmen supported the principles of the Bill, but announced their intention of criticising its detail in committee. After a long debate, in which a wide range of comment and opinion was expressed, the Bill was read a second time without a division.

Main Provisions Explained

Mrs. Castle reminded the House that as far back as 1888 the Trades Union Congress (TUC) first endorsed the principle of the same wages for the same work, and explained that the Government now intended to make equal pay for equal work a reality. After considering the difficulties inherent in the definition of equal pay– particularly in the definitions in the Treaty of Rome (' equal pay for equal work '), which seemed too restrictive to the TUC, and in the International Labour Organisation (ILO) convention (' equal pay for work of equal value '), which seemed too vague and open-ended to the Confederation of British Industry (CBI) --the Government had decided to eradicate discrimination in pay in specific situations by legislation prescribing equally specific remedies.

The Bill before the House dealt with three different situations. ' The first situation is where men and many women are doing the same or " broadly similar " work, not only in the same establishment but in different establishments of the same employer where these are covered by common terms and conditions. The second is where they are doing jobs which are different but which have been found to be equivalent under a scheme of job evaluation. The third is where their terms and conditions of employment are laid down in collective agreements, statutory wages orders or employers' pay structures.

' This three-pronged approach does all that can be done in legislation, and goes beyond anything in the law of other major countries. It gets away from abstractions like " equal pay for work of equal value ", and brings equal pay out of the debating room and into recognisable situations in factories, offices and shops, and into the black and white of pay agreements.

Broadly Similar or Equivalent Work

' Clause 1 deals with the first two of the situations I have mentioned. It establishes that where a woman is doing work which is the same or broadly similar to that of men, or work which has been established as being equivalent to that of men by a job evaluation exercise, she qualifies for equal pay, whatever her contract of employment may have said before and whatever any collective agreement may say about her work.

'The formula "the same or broadly similar work" covers not only the situation where men and women do identical work but also the situation where there are differences between the work of women and men but the differences are not of practical importance. The Clause provides that in deciding whether work is broadly similar regard shall be had to the frequency with which the differences occur in practice as well as to the nature and extent of the difference.

'The other limb of the Clause deals with job evaluation. There will be no obligation on employers to carry out job evaluation, but where it has been done or is done in the future, discrimination in pay on grounds of sex between jobs of equivalent value will be prohibited. Job evaluation schemes cover probably 30 per cent of the working population, so that this provision will have a wide impact particularly as there is nothing to prevent unions pressing for the extension of job evaluation schemes. The Clause also removes the effect of any blatant discrimination there may have been in the actual process of job evaluation.

'The enforcement procedure for those two limbs of our equal pay policy is outlined in Clause 2. The aim here is to provide a means of redress which is speedy, informal and accessible, and in the industrial tribunals, set up in 1965 to deal with industrial training levies and later with appeals about redundancy payments and SET [selective employment tax], we have the ideal machinery to hand. It is ideal because the tribunals are experienced in dealing with employment matters, they include representatives of workers and they sit at various centres scattered throughout the country.

Collective Agreements and Wages Orders

Clause 3 dealt with discrimination in collective agreements and in employers' pay structures. Mrs. Castle explained its net effect as follows. 'Where, on the operative date, a collective agreement or pay structure specifies a class of work or workers, however defined, to which separate men's and women's rates are attached, the women's rate must be raised to the level of the men's rate. And where an agreement or structure contains a women's rate as such—that is, without any description of the jobs that women do—that rate must be raised to the level of the lowest men's rate in the agreement. The effect of this on the women concerned is that none would get less than the lowest male rate and some might get more, depending on the jobs they actually perform. This achieves just what the women's organisations in their conference last Saturday were demanding. It prohibits different basic rates for men and women in collective agreements. I entirely agree that it is right that we should do this.

'Disputes about collective agreements may be taken by any of the parties to an agreement, or by myself, to the Industrial Court. The Industrial Court is clearly the body best qualified to deal with disputes about collective agreements because of its considerable expertise in this field. The action of the court will be confined to removing discrimination which appears on the face of the agreement in the way I have described. To that extent the court will redraft the agreement, and the terms and conditions of workers covered by the agreement will be changed accordingly and become part of their contract of employment.'

Under Clauses 4 and 5, Mrs. Castle continued, the principles of non-discrimination would apply to statutory wages orders, which covered some 3,800,000 workers, of whom 2,375,000 were women in industries where trade union organisation was weak and rates of pay low.

Terms and Conditions of Employment

Under Clause 6, the Bill again went further than the ILO convention by providing that employers give equal treatment to women not only in pay, but

in ' terms and conditions of employment ', i.e. in sickness and holiday schemes, payments in kind and any type of bonus rates. At the same time it entitled women to retain any favourable treatment accorded by law in respect of hours of work and any special treatment accorded by law or agreements in connection with childbirth. Mrs. Castle allowed that there were many anomalies in the present treatment of women over night working, and felt that the need for the existing restrictions was disappearing. In any case they applied only in an area employing a quarter of the women at work and even with this area she could and did often consent to applications for exemptions, made with the consent of the women concerned. She thought, however, that it would be quite wrong to make the introduction of equal pay conditional on the blanket removal of the hours restrictions. This was a separate matter; there were still trade unions and some employers who favoured retention and she would continue consultations with both sides of industry in the hope of reaching agreement.

Pensions had not been included in the matters in which there should be no discrimination. Schemes for men and women differed in a number of important respects, including, often, a lower age of retirement for women. Insistence on exactly equal treatment might make many women employees worse off. Moreover, at the present time, when employers were already having to adjust their schemes to the Government's proposals for earnings-related pensions, it would have been inopportune to add a further complication.

Effects of the Act

Under Clause 8 the Act would come into force on 29th December, 1975. Mrs. Castle believed that this was about the right period to permit industries and firms to adjust to the additional costs involved. On average she thought equal pay would add some 3½ per cent to the national wage bill, but its incidence would vary greatly between different industries and firms. The Department of Employment and Productivity, in conjunction with the CBI and the TUC, had recently carried out a survey of costs of introducing equal pay in a number of firms in 13 selected industries, containing a high proportion or large number of women. The survey indicated that the median direct cost in these industries would range from nil to 18 per cent and in individual firms from nil to 32 per cent. Clause 8 also empowered the Secretary of State for Employment and Productivity, subject to the approval of Parliament, to provide, if necessary, an interim stage at the end of 1973 by requiring all firms to have achieved a given percentage of the target of full implementation.

In conclusion, Mrs. Castle said that she did not believe that the legislation proposed would lead to unemployment among women and that she thought it would lead to a general rise in women's earnings relative to men's, though some pockets of discrimination would remain unless women organised to put a stop to it.

British National Newspapers

NBPI REPORT ON COSTS AND REVENUE

The second report of the National Board for Prices and Incomes on costs and revenue in national newspapers was published on 27th January. It concludes that price increases in certain national newspapers are justifiable and makes a number of recommendations for increasing efficiency in the industry, improving industrial relations and accelerating technological change.

The board's previous report, published in October 1967, related to daily

newspapers with a circulation of over 200,000. It was followed almost immediately by the devaluation of sterling, which further raised the price of newsprint, and in the first quarter of 1968 there were permitted increases in the prices of all the main national newspapers. The second reference was made on 19th September 1969. It arose out of the notification, under the early warning system [see 2.1.70 p. 14], of proposed price increases in 1969 and 1970 by a number of publishers of national newspapers, and was somewhat wider in scope than the first, as it included all the main national newspapers with circulations of over 200,000, including the Sundays. The Government did not ask, however, for the price increases to be withheld pending the board's report

The board has concluded that the price increases made so far—from 6d to 8d for *The Times* and the *Guardian* and from 7d to 8d for the popular Sundays are justifiable and that there is a good case for the proposed further increases of 1d in the price of *The Times* and the popular dailies, and of up to 3d for the *Sunday Times* and the *Observer*. It considers that the circumstances of the *Daily Telegraph* do not at present justify an increase of more than 1d, whereas the *Daily Telegraph* and the *Sunday Telegraph* have proposed increases of 2d and 4d respectively to be implemented over the next two years.

The board, in addition, notes that some progress towards realistic manning and increased productivity has been made, largely as a result of productivity agreements, negotiated within industry-wide guidelines so as to establish better manning standards and wage structures based on work study and job evaluation Further possibilities of improvement lie in technological development, in better systems of control to minimise newsprint wastage, and in better arrangements for distribution The board suggests that these further matters be the subject of a separate inquiry.

United States International Investment Position

A detailed examination of the developments in the international investment position of the United States in 1968, published in the October 1969 issue of the *Survey of Current Business*, drew attention to a sharp rise in US direct investment overseas and to increased foreign purchases of US stocks and bonds. This article highlights some of the main features of the report and reviews trends in US direct and portfolio investment flow

The following table illustrates the growth since 1950 in the level of US foreign investment and of foreign investment in the US

$ million

	1950	1960	1968
US total assets and investments abroad	54,359	85,768	146,134
Foreign total assets and investments in the US	17,632	41,202	81,121
Net US international investment position at year-end	36,727	44,566	65,013

The changes in recent years in the net US international investment position deriving from the aggregate figures of assets and liabilities were as follows:

$ million

	1966	1967	1968
Change in US assets increase (+)	5,070	9,543	11,395
Change in US liabilities increase (−)	1,671	9,310	11,401
Change in net international investment position of the US	3,399	233	6

The net position takes into account net reinvested earnings, which reached $1,654 million in 1968, the highest level ever recorded, and net valuation changes, which in 1968 were adverse by some $670 million reflecting a greater rise in the value of US stocks held by foreigners than the rise in the value of foreign stocks held by US residents.

The US net international investment position has improved in almost every year since 1955, although the 1968 level of $65 billion[1] did not rise above that of the previous year. The $11·4 billion increase in US assets in 1968 was largely due to an increase in private investment abroad of $8·3 billion, the balance consisting of a $2·2 billion rise in non-liquid US Government assets and a $0·9 billion increase in US official reserves. This aggregate increase in US assets was matched by a marginally greater rise in foreign assets and investments in the US, $8·3 billion of which was in long-term US liabilities and was attributed mainly to a steep rise in foreign purchases of US stocks and of new Eurobond issues of US companies.

US Direct Investment Overseas

US direct investment abroad increased by $5·3 billion in 1968 bringing the book value of this component up to $64·8 billion, equivalent to nearly 45 per cent of the total value of all US assets and investments abroad at the end of the year. An indication of the growth in US direct investment overseas since 1950 is given by the following levels:

$ billion

	1950	1960	1968
US direct investment overseas	11·8	31·9	64·8

The rise in value of some 9 per cent in 1968 was close to the average annual percentage rise since 1960, when the value was $31·9 billion and somewhat less than the average growth of 10·5 per cent per year between 1950 and 1960.

Detailed analysis of the effect of this direct investment on the US balance of payments, which takes into account not only the initial outflow of US funds but also the level and application of overseas borrowing by US companies and

[1] $1 billion = $1,000 million (US terminology).

the scale on which earnings are either reinvested or remitted back to the US, indicates that the estimated net flow of US corporate funds had a favourable impact upon the US payments position of $5·5 billion in 1968. A key factor in this situation was the rise in new issues of securities sold abroad by US companies from $0·5 billion in 1967 to $2·1 billion in 1968. In addition, other overseas borrowing by these companies rose from less than $0·5 billion to $1·1 billion over the same period. The report estimates that about $0·8 billion of the proceeds of new issues was used for direct investment and about $1 0 billion invested abroad principally in the Eurodollar market pending their later use by foreign affiliate companies.

Earnings on US direct investment overseas rose by $1·0 billion, from $6·1 billion in 1967 to $7 1 billion in 1968. Some $2 0 billion of 1968 earnings was reinvested and the balance repatriated to the US.

The distribution of US direct investment abroad at year-end 1968 by main regions and industrial sectors is shown in Table 1. The figures for Britain, the Federal Republic of Germany and Venezuela are included because of their magnitude

The book value of US direct overseas investment in manufacturing increased by $2 2 billion in 1968 and represented 40 per cent of the $5 3 billion increase in total direct investment during the year. Western Europe received about $1 billion of the $2 2 billion increment. In Britain higher reinvested earnings together with acquisitions of several British firms in the tobacco and food manufacturing industries resulted in a major increase in investment from $3 9 billion to $4 3 billion

In the oil industry US direct overseas investment rose by $1 4 billion in 1968, of which sum Canada and Africa (mainly Libya) both accounted for about $0 3 billion Petroleum investment in the Middle East rose by less than $0 1 billion in 1968 as exploration and development activity continued to grow in other areas. In the foreign mining industry US direct investment increased by $0·5 billion in 1968 with mining affiliates in Latin America accounting for $0 2 billion of this figure

Foreign Direct Investment in the US

The book value of these investments rose by $0 9 billion to $10·8 billion during 1968 The net capital inflow in 1968 was mainly the result of $0 4 billion of new foreign direct investment, roughly half of which represented the purchase by an international oil company of additional stock in its US subsidiary. The value and flow of foreign direct investment into the US in 1967 and 1968 is shown in Table 2

Portfolio Investment

The value of US holdings of foreign stocks and bonds rose by $2·2 billion to a level of $18·2 billion during 1968. Purchases of newly issued foreign securities rose only slightly from $1 6 billion in 1967 to $1 7 billion in 1968. By contrast, the value of foreign portfolio assets in the US rose by $6·1 billion to $23·8 billion by the end of 1968. In addition to an increase of $1·7 billion in the value of outstanding securities, due mainly to appreciation in value of US equities, capital inflows amounted to an unprecedented $4 4 billion A number of factors contributed to increased foreign purchases of US corporate stocks among which the unsettling effects of the Middle East crisis, the invasion of Czechoslovakia and the May strikes in France all played a part. Foreign net purchases of stocks declined, however, in the first half of 1969, with the expectation of a slowdown in the US economy and the attractions of alternative investment opportunities in the Eurodollar market

TABLE 1

UNITED STATES DIRECT INVESTMENT OVERSEAS

$ million

	Value of US direct investments abroad at year-end								US direct investment net capital outflows	
	1967	1968								
	Total	Total	Mining and smelting	Petroleum	Manufacturing	Public utilities	Trade	Other	1967	1968
All areas, total	59,486	64,756	5,370	18,835	26,354	2,672	5,266	6,258	3,154	3,025
Canada	18,097	19,488	2,636	4,088	8,546	599	1,115	2,505	403	594
Latin American republics	10,265	11,010	1,402	2,976	3,699	627	1,249	1,057	184	461
Venezuela	2,555	2,620	*	1,780	376	18	255	190	-97	24
Other western hemisphere	1,779	1,979	473	667	291	58	94	395	107	111
Europe	17,926	19,386	61	4,640	10,778	94	2,126	1,688	1,480	995
Federal Republic of Germany	3,486	3,774	*	1,104	2,273	18	264	115	447	236
United Kingdom	6,113	6,703	2	1,562	4,257	20	417	445	353	375
Africa	2,273	2,673	387	1,567	400	4	163	152	175	308
Asia	4,289	4,693	44	2,800	1,138	88	355	269	325	234
Middle East	1,749	1,803	3	1,654	63	*	20	56	150	37
Far East	2,540	2,891	42	1,146	1,075	82	334	213	174	197
Oceania	2,520	2,821	367	646	1,503	3	163	138	332	164
International shipping	2,336	2,705		1,451		1 200		54	150	158

Due to rounding, the actual sums of the component parts of this table vary slightly from the totals given
* Combined in other industries

TABLE 2

FOREIGN DIRECT INVESTMENT IN THE UNITED STATES

$ million

	Value at year-end		Capital flow					
			1967			1968		
	1967	1968	Total	New investments*	Other	Total	New investments*	Other
Total	9,923	10,815	251	133	118	319	426	−107
Canada	2,575	2,659	9	19	10	−26	49	−75
United Kingdom	3,156	3,409	65	21	44	114	109	5
Other Europe	3,848	4,341	185	75	110	183	194	−11
Japan	106	181	2	18	20	60	74	−14
Latin America	176	164	1		1	12	−	12
Other countries	59	61	5		5	†	†	†
By Industry								
Petroleum	1,885	2,261	8	†	8	231	212	19
Manufacturing	4,181	4,475	138	84	54	23	81	−104
Trade	848	938	67	21	46	32	67	−35
Insurance	2,193‡	2,305‡	36		36	5	−	5
Other finance	§	§	20	2	22	47	60	13
Other industries	816	836	22	26	4	27	6	21

* 'New investments' consists of the first reported capital inflow to establish or acquire a new company or operation in the United States and the cost of acquisition of additional shares of existing companies.

† Less than $500,000.

‡ Includes market revaluations of securities held by insurance companies.

§ Included in 'Insurance'.

Education

Some recent developments in education are summarised below

COMPREHENSIVE EDUCATION BILL

A Bill designed to impose on local education authorities a duty to plan for, and to achieve a system of comprehensive secondary education was given a second reading in the House of Commons on 12th February (*Hansard*, cols. 1463-1587) The Bill aims at establishing firmly as part of the law of education in England and Wales the principle that admission to secondary schools should not be based on selection by reference to ability or aptitude

Background

The Government announced its intention that state-maintained secondary education should be reorganised along comprehensive lines instead of the traditional separatist system of grammar, secondary technical and secondary modern schools in the House of Commons in November 1964 (*Hansard*, 27.11.64 col. 1705). This decision was later endorsed by the House of Commons in January 1965 [see 3.8.65 p. 752]. In the following July, the Department of Education and Science issued a circular to the local education authorities providing them with detailed guidance on possible interim, as well as long-term methods of achieving the comprehensive reorganisation of secondary education and requested them to submit plans along the lines suggested within a year So far 129 of the 163 local education authorities have schemes either implemented or approved, 110 of them for the whole or greater part of their areas and the other 19 for part of their areas. The plans of 12 authorities are at present under consideration by the Department of Education and Science, while another 8 authorities are in the process of reconsidering their plans Of the remaining 14 authorities, 6 have failed to submit a plan and 8 have formally declined to do so.

With the progressive implementation of approved schemes, the number of comprehensive schools and the number of pupils in them have increased steeply year by year. Between January 1965 and January 1969 the number of comprehensive schools rose from 262 to 962 and the pupils in them from 239,000 to 772,000—26 per cent of the population of maintained secondary schools It is estimated that in January 1970 the number of comprehensive schools was in the order of 1,200, and that nearly a third of the population of maintained secondary schools was attending them.

The most popular form of comprehensive organisation adopted by the local education authorities is the all-through comprehensive school taking pupils of 11 to 18 years of age. Middle school schemes which straddle the primary and secondary stages of school education and schemes of four- or five-year comprehensive schools with separate sixth-form or junior colleges are also well represented in the approved schemes. All the schemes cover county schools and in some cases include voluntary schools. Where this is not the case, discussions

concerning the future of voluntary schools are taking place. The question of the participation of the direct grant schools in the reorganisation is at present under consideration by the Public Schools Commission, to which it was referred in October 1967 [see 22.12 67 p 1310].

The Government's Proposals

In moving the Bill in the House of Commons, the Secretary of State for Education and Science, Mr. Edward Short, explained the Government's commitment to comprehensive education. Much research in many countries, Mr. Short told the House, had reinforced the view that the intelligence quotient (IQ) and educational performance of children were heavily influenced by environment including such factors as home background, the quality of the neighbourhood and the quality of the primary school as well as by heredity, and that many working-class children suffered a pronounced environmental handicap compared with middle-class children of the same ability. Such inequality of opportunity, Mr. Short indicated, was perpetuated by the 'eleven-plus' examination which, with its selection of children at the age of eleven for different types of school on a so-called ability basis, made a premature judgment based partly on social factors about a child's ability to develop in the future The aim of the comprehensive school, however, was to give equality of educational opportunity irrespective of a child's social background and to cut out the penalising of children because of their social environment.

Though excellent results had been achieved in many parts of the country by reliance on voluntary co-operation by local education authorities in the implementation of national policy, Mr Short considered that it had now become increasingly clear that unless the Government took powers to require all authorities to plan the changeover to a full non-selective system for the whole of their areas, some authorities would do nothing at all, while many others would fail to complete their partial plans by bringing into them every school and every part of their area 'I am not prepared', he continued, 'to allow the thousands of children involved to be subjected for a day longer than is necessary to the gross injustice of selection by so called ability when we now know beyond doubt that it is largely selection by social background and not by ability'

It was against this background, Mr Short explained, that the Government had decided that the time had come to impose on local education authorities a duty to end selection for secondary education and to prepare plans to that end The Bill provided, therefore, that local education authorities should secure provision of secondary education only in schools where admission was not based (wholly or partly) on selection by reference to ability or aptitude, the only exceptions to this being special schools providing special educational treatment, schools providing specialist education for those gifted in music, dancing or any other art, and sixth-form colleges or sixth-form 'units' in schools. With regard to the latter, Mr. Short stated that the long-term aim was, in general, for all comprehensive schools to have their own sixth-forms with numbers large enough to make possible the provision of a reasonably wide range of choice and an economic use of staff But this was not always possible at present and while experience was still being acquired and applied, there was no evidence on which to rule out the establishment of colleges, or units in schools, which admitted pupils above the statutory leaving age on a basis of certain specified requirements.

The Opposition's View

The Bill was opposed by Mrs Margaret Thatcher, the Opposition spokesman on education, who promised that the Opposition, if returned to power,

would repeal the measure. By imposing upon local authorities a pattern for existing schools which they did not desire, the Government was depriving the local authorities of much of their power even though they were elected bodies and would still have to find approximately half the money required to provide for the educational system.

Moreover, Mrs. Thatcher continued, the Bill would not achieve the objectives claimed for it. To imply that it would end selection was, she maintained, 'sheer trickery' since selection on the grounds of ability would continue to exist for entrance to sixth-form colleges and to higher education. Neither would it provide equal opportunity for each child, for, with entrance being determined by geographical location, the schools would become neighbourhood schools, and there would be as many differences between comprehensive schools, according to the area which they would serve and the type of pupil which they would attract, as there were already between existing schools. Mrs Thatcher ventured the opinion that in an area which retained grammar schools alongside a substantially comprehensive system it would be possible for a pupil to have greater opportunities by getting away from his own [poor] neighbourhood and mixing with others from widely differing backgrounds 'If the Government were not so extreme in this Bill', she exclaimed, 'there could be co-existence of comprehensive and some grammar schools of excellence '

Mrs. Thatcher then proceeded to suggest the criteria by which any scheme of reorganisation should be judged the scheme should be in the educational interests of the children going through the schools now as well as in the coming few years; it should retain and attract first-class teachers, it should fit existing buildings and not require so much capital that resources would have to be diverted from the primary schools, its effect on sixth-forms, pupils and staff should be considered; it should make full educational provision for unusually gifted children irrespective of their background and of whatever spheres they were gifted in; it should provide at all stages for late developers, and, lastly, it should be demonstrably acceptable to the parents of an area

SCHOOL EXAMINATIONS

Proposals for the abolition of the Ordinary ('O') level and the Advanced ('A') level of the General Certificate of Education as entry requirements to higher education, and the introduction of a new system in which all pupils would study eight major subjects until 16, five until 17 and then, for those intending to go to university, three until 18, were announced in December 1969. They were contained in a joint statement by the Schools Council Joint Working Party on Sixth-form Curriculum and Examinations, established jointly with the Standing Conference on University Entrance, and the Schools Council's Second Working Party on the Sixth-form Curriculum and Examinations The proposals involve the introduction of a new Qualifying ('Q') examination, to be taken at 17 in five subjects, and a new Further ('F') examination to be taken at 18 in three subjects. A further recommendation was the establishment of a new national committee with general responsibility for the examinations The scheme, it was suggested, should be universally adopted by about 1975

Objectives of Reform

The general objective behind the proposals was to provide education suited to the needs of young people of 17 and 18 by carrying forward a broad and balanced curriculum at least to the end of the sixth year of secondary education, and by ensuring that options for more specialised work would remain reasonably open at least to that stage. The proposals were designed to

meet the needs of sixth- forms of the mid- and late- 1970s which, the committees considered, would differ in many respects from those of the 1960s. By the mid-1970s, the committees estimated, about a third of the age group would remain in full-time education to the age of 18, either at school or in colleges of further education. In addition, after the raising of the school-leaving age to 16, a substantial number would also stay on until 17. This would result, it was thought, in the sixth form of the mid-1970s covering a wider range of interests and of natural ability than the traditional sixth-form of the past. While many sixth-formers would wish to continue full-time studies beyond 18 in higher education, a significant proportion would no doubt leave at 17 or 18 to enter employment with opportunities for part-time studies, or to undertake further education. Thus the sixth-form of the future would contain pupils with differing aspirations who required differing courses and examinations taken over a varying period of time They would represent a continuum of ability and attainment, and, in the opinion of the two committees, this would be best served by a system that permitted pupils to progress at their own rates through a graded system of goals within the same framework

Detailed Proposals

The committees considered that the present sixth-form concentration on two or three ' A ' level subjects was too narrow to satisfy their general objective, and suggested that, to meet the requirements of future sixth forms, a new examination should be introduced to serve the needs of pupils proceeding beyond the Certificate of Secondary Education (CSE) [see 7 12.65 p. 1267] or ' O ' level stage, and which would serve as a general entry qualification for all sectors of higher education This qualification was to be capable of achievement only on the basis of a reasonably balanced curriculum involving the study of eight subjects up to the age of 16, to be attested in a manner not yet decided upon, and of five subjects up to the age of 17 in which pupils would be assessed by the new Qualifying (' Q ') examination Pupils who attained a satisfactory standard in all five subjects taken would thereby have satisfied the general entry requirement for higher education The new ' Q ' examination, it was made clear, would not necessitate the discontinuance of the CSE and ' O ' level examinations, since both had numerous uses apart from the requirements of full-time higher education

The five subjects taken in the ' Q ' examination should, it was considered, include both scientific (or mathematical) and non-scientific subjects, and subjects from the general area of social studies Both English and some form of mathematics were considered desirable subjects for both the future science and the future arts specialist, but it was not suggested that either should be compulsory No candidate, the statement continued, should be permitted to take more than two separate sciences or two foreign languages A group of five subjects based on these considerations would, it was hoped, enable pupils to achieve a variety of skills within the curriculum

The ' Q ' examination would have the advantage of serving a number of purposes. For those whose objective was university education it would be a ' staging post ' providing the minimum admission requirements, on top of which success in another examination taken at the end of the seventh year in two or three subjects would be necessary for a candidate to be awarded a place in a particular faculty, school or department. A new examination was suggested for this level, the Further (' F ') examination, whose quality of study would be at least as high as that involved in success at the present ' A ' level. The committees further expected that many of those not seeking degree courses would also study for the ' F ' examination in one or two subjects.

For other students—and these would include some who were going on to full-time higher education—the ' Q ' examination would be a terminal objective.

While the general entry qualification would call for five subjects appropriately spread, the examination itself would be a 'single subject' one and candidates would be able to, offer some subjects one year and others in another. This would be the case both for some going on to full-time higher education and for others going on to other full-time courses of education and training. For those leaving school at 17 or 18 some attainment in some subjects at the level of the 'Q' examination would prove useful to a wide range of employers, many of whom would wish their potential employees to have had as well balanced a curriculum as those seeking to go on to higher education.

TECHNICIAN AND BUSINESS EDUCATION

Major changes in the machinery for devising and administering courses for technicians and those in comparable employment in business, commerce and non-technical occupations were proposed in the Haslegrove Report[1] published in December 1969.

The report, the work of a committee of the National Advisory Council on Education for Industry and Commerce, followed a request in May 1967 from the Secretary of State for Education and Science to the National Advisory Council to review the national pattern and organisation of technician courses and examinations. This review was considered necessary in view of developments since the 1961 White Paper *Better Opportunities in Technical Education* [see 31.1.61 p. 155], the Secretary of State having drawn particular attention to the implications of the Industrial Training Act and the subsequent establishment of industrial training boards [see 18.8.64 p 831], to the work of the Council for National Academic Awards [see 24 11.64 p. 1168], and to the tendency in some cases for Higher National Certificates to become primarily high-grade technician qualifications in their own right rather than routes to professional status.

Scope of Inquiry

Appointed by the National Advisory Council in September 1967, the committee's terms of reference were 'to review the provision for courses suitable for technicians at all levels (including corresponding grades in non-technical occupations) and to consider what changes are desirable in the present structure of courses and examinations'. The committee regarded its terms of reference as extending only to courses and examinations of a national character, that is, to those leading to technician and comparable certificates of the City and Guilds of London Institute (CGLI) or the six regional examining bodies, and to Ordinary and Higher National Certificates and Diplomas and certain pre-technician courses and examinations. Individual college courses or those leading to examinations of professional and similar bodies, therefore, were not regarded as central to the committee's deliberations. Nor did the committee deal with such questions as the number and content of, or the demand for, particular courses, but rather with the broad pattern of courses and machinery at national and regional level for administering it.

Recommendations

The committee considered that the existing pattern of provision of technician and comparable courses, a pattern that had developed in the absence of overall co-ordinating machinery, was unsuitable for meeting not only existing needs,

[1] *Report of the Committee on Technician Courses and Examinations*, HMSO, 12s 6d.

but also the new and changing needs likely to arise in the next five or ten years. Only by reorganising and simplifying the existing administrative machinery to make it more quickly responsive to the future needs of industry and commerce would a ' modern, flexible and well conceived pattern of technician courses and examinations ' emerge.

Accordingly the committee recommended that the Secretary of State for Education and Science should set up a Technician Education Council (TEC) and a Business Education Council (BEC) with overall responsibility for the planning, co-ordination and administration of technician and comparable courses, examinations and qualifications of a national character. The committee envisaged the councils as small independent bodies responsible for policy in their respective fields, but with strong consultative links with one another, reinforced by a common administrative support structure. The CGLI should be invited to undertake the administrative work of both councils, the committee suggested, and it would be assisted in this task by new regional examining organisations to be formed from the existing regional examining bodies, the Regional Advisory Councils for Further Education contributing as appropriate. The TEC should gradually introduce a new national pattern of technician courses to replace the present CGLI and National Certificate and Diploma courses, while the BEC was to develop a unified national pattern of courses in the field of business and office studies below first-degree level. One of the initial tasks of the BEC, the committee commented, would be to promote a much wider use of existing courses by the business community

Other recommendations included a proposal that the new councils and others in positions of responsibility should publicise particularly in schools, the various forms of technician education available and the prospects that lay beyond them, a suggestion that the time had come to move away from the present rather extensive dependence on formal examining as the main or only measure of a student's performance in a technician course and the inclusion of general studies in technician courses.

UNIVERSITY GRANTS COMMITTEE REPORT

Increased government grants for the development of managerial studies in British universities, additional aid to foster the relationship between universities and industry, and recent progress in the field of student accommodation are some of the developments recorded in the *University Grants Committee Annual Survey, Academic Year 1968-69* published on 21st January (Cmnd. 4261, HMSO, 4s)

Management Education

A new appeal to industry announced in June 1969, for funds for management education is given considerable attention in the annual survey The appeal is sponsored by the Council of Industry for Management Education (CIME) acting in agreement with the University Grants Committee (UGC). As a result of the success of the previous appeal, launched in 1964, the London and Manchester Business Schools had been established [see 4.2.66 p. 199] and were now planning to move into their new buildings, providing capacity for 300 students at each, during the 1967-72 quinquennium. The funds raised by industry are administered by the Foundation for Management Education, which had been set up specifically for this purpose, and it shares equally with the Government the capital cost of the new buildings and the recurrent costs of maintaining the schools. The foundation also makes grants to other universities, but the bulk of the funds for management education in the universities comes out of the UGC grants in the normal way. In 1968-69 estimated total

expenditure on management education/in the universities outside the two Business Schools amounted to about £1·5 million. The foundation's expenditure on selected projects in this area amounted to about £77,500.

The survey goes on to explain that without a further appeal the foundation commitments both to the Business Schools and to other universities would end in 1972 when the funds raised by the 1964 appeal (over £5 million) would be almost exhausted. Since the partnership between industry and Government had proved so valuable in the promotion of management education, however, the UGC considered that it should continue on the same lines in the seven-year period after 1972. The UGC, therefore, sought and obtained from the Department of Education and Science approval to a CIME proposal for an appeal to be made for funds of the order of £7·5 million, a figure which would maintain industry's existing commitments and allow for expansion both in the Business Schools and other establishments. In detail the proposals involve the expansion of the Business Schools to the full size envisaged when their sites were acquired, that is, to take about 600 postgraduate and post-experience students each at any one time. The Foundation for Management Education also proposed to continue and extend its support to other establishments and to set up a special fund for the training of teachers of management studies, which it thought necessary to the success of any plans for expansion. The Government's approval of these plans implied an undertaking to provide 50 per cent of the cost of extending the two Business Schools and maintaining them at their increased size. Of the £7·5 million it is estimated that £5 million would be devoted to the Business Schools and £2·5 million to other establishments and to teacher-training. It is expected that, as in the past, other universities will look to the UGC for most of their funds for management education.[1]

University-Industry Collaboration

During the period October 1968 to October 1969 the UGC allocated additional grants to universities for the support of 21 specific projects for the promotion of university-industry collaboration These grants were drawn from a special fund set aside specifically to provide short-term assistance for such projects, and particularly for those in the physical, biological and social sciences as well as in the technological disciplines. Since the inception of the fund 38 projects have received, or will receive, assistance at a cost of £115,600 in 1968-69, £190,450 in 1969-70, £170,850 in 1970-71 and £64,750 in 1971-72 In order to qualify for assistance suggested projects have to be such as would become self-supporting within a year or two or be capable of being absorbed into a normal range of university commitments.

Student Residence

Allocations made by the UGC for building work to be started in 1970-71 and 1971-72 included very little for the provision of additional student residence in universities, priority being accorded to projects for additional teaching accommodation and to projects designed to make good deficiencies in libraries, refectories and other common service facilities. In fact, the survey records, only a little over £1 million has been allocated for residential projects in each year out of a total of £52 million worth of building work to be started in the financial years 1970-71 and 1971-72, and this has been taken up by completing schemes already started and by projects at universities where residential accommodation is almost completely lacking.

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[1] On 21st February the CIME announced, after consultation with the UGC, a revision of the proposed allocation of the appeal fund of £7·5 million. Under the new proposals, £4 million will be allocated to the two Business Schools, £2 million will be devoted to developing management education facilities in the Midlands, Yorkshire and central Scotland, and £1 5 million will be made available for projects at other universities and colleges.

The UGC is very conscious, therefore, that the provision of residential accommodation is likely to be a major problem during the 1970s when it is estimated that the university sector of higher education will undergo considerable expansion. In 1961-62, just before the Robbins Report was published, when the student population stood at 113,000, about 28 per cent of the students (31,000) were provided with residential accommodation, 52 per cent (58,400) lived in lodgings, and 20 per cent (22,900) lived at home. Ten years later, in 1971-72, it is estimated that the student population will have almost exactly doubled. On the evidence currently available it seems likely, the survey continues, that the proportion of students in residence, in lodgings and at home will be about 40 per cent (90,000), 43 per cent (95,000) and 17 per cent (37,000) respectively. The substantial increase in the amount of residential accommodation in universities, and the success which universities have achieved in increasing the number of lodgings, are both striking, the report comments, but whether the future expansion of universities will call for the same pattern of student accommodation is not clear. A working party set up by the Committee of Vice-Chancellors and Principals referred to this problem in 1969, and the UGC is keeping it under continuous review.

The figure of 90,000 residential places which it is estimated will be available at the end of 1971-72 will not, the survey explains, be the result solely of grant-aided building programmes. In the past, a considerable number of places have been provided from funds donated by benefactors. In the London area alone the number of places in halls of residence is at present being increased by some 3,500 as a result of private gifts. An appreciable contribution is also being made by loan-financed schemes, that is, the provision of residential accommodation by borrowing the capital sum required and then meeting the loan charges as well as the running costs from the income derived from the students' rents. Since April 1968, when a circular letter was issued by the UGC to encourage universities to experiment with this type of provision, universities have launched schemes (some of which have already reached completion) which, it is estimated, will result in the provision of some 3,500 places.

FIRST EMPLOYMENT OF GRADUATES

For the first time since 1961-62, when the UGC began to publish annual statistical reviews of the pattern of careers followed by university graduates immediately after graduating, the number of graduates entering employment in Great Britain during 1967-68 was greater than the number undertaking further study or training. This significant development is recorded in *First Employment of University Graduates 1967-68*, the UGC's seventh survey of graduate employment, published on 3rd February (HMSO, 10s).

In 1967-68, the report explains, 42,615 graduates qualified for first degrees (excluding those in medicine, dentistry and veterinary science who are not included in the survey), and of these 41·1 per cent (17,508) entered employment in Great Britain and 40 per cent (17,047) went on to further education and training. The proportions for 1966-67 were 40·4 per cent and 41·6 per cent respectively. The remainder in each year, 18·9 per cent in 1967-68 and 18 per cent in 1966-67, were made up of overseas students returning to their own countries, students going overseas (permanently or short term), those already in or not available for employment, those still seeking permanent employment and those whose future was unknown.

Pattern of Degree Studies

The number of 42,615 graduates qualifying for a first degree in 1967-68 represents an increase of 16·7 per cent over the comparable figure of 36,528

in 1966-67. More significant, however, than the growth in the number of students, the report suggests, is the pattern of growth. Although there were increases in the total number of graduates in all fields, the proportion of applied science graduates fell from 20·5 per cent in 1966-67 to 19·2 per cent in 1967-68, while, over the same period, the proportion of social science graduates rose by almost the same amount, from 25 per cent to 26·9 per cent. This pattern, the UGC points out, does not reflect the demand from employers, and it implies that, as has always been the case with arts graduates, graduates in general will increasingly have to see their degree as a basis on which to build, through training, rather than as a specific qualification.

Pattern of Employment

Of the 17,508 graduates taking up immediate employment in Great Britain in 1967-68, 13,530 were men and 3,978 were women Industry and commerce provided employment for the majority of these, 10,958 (62·6 per cent) in all. Next came public service, other than education, which accounted for 2,775 (15·8 per cent), while education itself accounted for 2,327 (13·3 per cent). The figures for both industry and commerce and public service represent slight proportional increases over the previous year, but there was a fall in the proportion entering direct into education to 13·3 per cent in 1967-68 compared with 13·9 per cent in 1966-67 and 15 5 per cent in 1965-66 These figures refer only to graduates entering educational employment directly after graduating and do not include those who enter after postgraduate training.

There were marked differences, however, between the patterns of employment for male and female graduates. Though industry and commerce formed the largest employer of both, only a third (1,314) of female graduates entered this form of employment as compared with 71 per cent (9,644) of male graduates. Again, while education was the second largest employer of female graduates, 29·8 per cent (1,186) of them finding direct employment in it, in the case of male graduates public service, other than education, was the second largest employer with 12·5 per cent (1,693) of the total. Only 8·4 per cent (1,141) of male graduates entered directly into education, while 27 2 per cent (1,082) of female graduates found employment in other forms of public service.

The survey welcomed the increased readiness of industrial employers to employ women, and thought it was important that this should continue since the rate of increase in the number of women graduates was greater than that of men graduates.

Pattern of Further Study and Training

Of the 17,047 graduates who entered further study or training in 1967-68, 7,944 undertook research or further academic study, 6,248 entered courses of teacher-training, and 2,855 followed other training courses. While the majority of students pursuing research or further academic study were men, there being 6,444 men to 1,500 women, the reverse was the case with those following courses of teacher-training in which there were 3,454 women compared with 2,794 men.

Though the total number of graduates undertaking research or further academic study, as distinct from other kinds of further training, rose, their proportion of the total of all graduates fell to 18·6 per cent from 20·1 per cent in 1966-67. This fall, the survey noted, was probably due not only to increased difficulty in obtaining grants for postgraduate work, but also, in part, to the fact that more graduates were now thinking in terms of taking postgraduate courses after working for several years (courses at business schools, for example). Of the total number of students entering research or further academic study,

over 44 per cent (3,520) were pure scientists, over 20 per cent (1,645) were social scientists, 19 per cent (1,512) took courses in arts subjects, and 16 per cent (1,267) were applied scientists.

The proportion of all graduates who entered teacher-training courses in 1967-68 was the same as in 1966-67, some 14·6 per cent, though there was an increase in actual numbers from 5,383 in 1966-67 to 6,248 in 1967-68. In 1967-68 arts graduates constituted 40 per cent (2,872) of the total entering such courses, while nearly 30 per cent (1,866) were pure scientists, 23 per cent (1,428) social scientists and a little over 1 per cent (82) applied scientists.

Postgraduate Study and Employment

Between October 1967 and September 1968 a total of 9,135 graduates—8,150 men and 985 women obtained higher degrees. This represented an increase of 24 per cent over the number for 1966-67. Doctorates constituted 45·7 per cent (4,175) of all postgraduate awards.

The greatest number of awards were conferred on pure scientists, who constituted 43 per cent (3,931) of the total. Applied scientists obtained 25 per cent (2,280) of the awards, while arts students and social scientists received 16·8 per cent (1,536) and 15·2 per cent (1,388) respectively. All fields of study recorded an increased number of graduates over 1966-67, but whereas there was a noticeable fall in the proportion of graduates in applied science—from 28·2 per cent in 1966-67 to 25 per cent in 1967-68—the proportions of graduates in both arts and social studies showed an increase from 15·6 per cent to 16·8 per cent and from 13·6 per cent to 15·2 per cent respectively. Thus, the survey noted, as with first degrees, the pattern of subjects of higher degrees does not correspond directly with the pattern of demand from employers.

Of those who obtained postgraduate awards in 1967-68, about 32·6 per cent (3,187) obtained employment in Great Britain. Education accounted for over 45 per cent (1,448) of those entering employment, graduates from all fields of study, with the exception of applied science, choosing it rather than public service, industry and commerce or all other employment. The proportion of those who obtained postgraduate awards who undertook still further study or training was over 18 per cent (1,672).

Arts Council of Great Britain

REPORT FOR 1968-69

The encouragement of interest in arts in the regions, housing the arts and developments in Wales and Scotland are among the topics discussed in the twenty-fourth annual report of the Arts Council of Great Britain (published by the council, 5s).

In his foreword to the report, the chairman, Lord Goodman, comments on the value of having an Arts Council as part of a system of government support for the arts which is 'divorced from direct government intervention and free, so far as any social institution can be, from political slanting'. In the past 30 years there had been, he believed, a profound social change. 'Within our society there is now a widespread feeling that the provision of drama and music and painting and all culture in its broadest sense is no longer to be regarded as a privilege for a few but is the democratic right of the entire community.'

The Work of the Council

The Government's grant to the Arts Council in 1968-69 amounted to £7·75 million, compared with £7·2 million in 1967-68.[1] The need for public money arises, the report comments, ' not because our theatres and opera houses, our concerts and our art exhibitions are inefficiently run, or failing to draw a public. Rather the reverse. In part it arises because of their success. Subsidy is needed if the public appetite, which is now so clearly demonstrated, is to be satisfied by performances and works of the highest standard.' In 1968-69 the Royal Opera House, Covent Garden, played to 91 per cent of its capacity, and the new Hayward Gallery on the south bank of the river Thames had nearly half a million visitors to the five exhibitions shown in its first year. Altogether during the year 8 million tickets were sold for the performances and exhibitions subsidised by the Arts Council.

To help the council in planning its future activities ' a quite exceptional number ' of inquiries and working parties had been set up during the past two years, the report notes. One of them which had reported was concerned with opera and ballet [see 16.1.70 pp. 78-80] and another with the obscenity laws [see 16.1.70 p. 84]. Other inquiries were started into orchestral resources and computer booking. In October 1968 the council established a committee to investigate ' New Activities '. It was concerned to find out what the council's attitude should be to ' a quite wide movement ' among a young generation - a coming together, in the name of the arts, in all parts of the country, in laboratories, workshops and groups, with a great interest in mixed media and modern technology and an indifference to existing forms and traditional methods of provision. The committee quickly reported, and recommended the setting up of a committee to advise the council, to make recommendations and to investigate the matter further. It is to function as an experiment for a year

Regional Developments

The report gives examples of important developments in artistic activities in various parts of England --such as the ' ambitious programme of provisions for leisure activities in Teesside, in which the arts have a privileged place ' The provision includes a theatre in Billingham, spaces for experimental work in music, drama and other arts in the pavilion at Thornaby, and plans for a full-scale concert hall and a 1,000-seat theatre at Middlesbrough.

' All over the country the attitude of local authorities towards expenditure on the arts is showing a radical change ', the report comments, the new situation being exemplified in the flow of applications to the council for money for ' Housing the Arts ' (see below). Several of the most significant recent applications come from new and expanding towns, and the council expects developments in this direction to accelerate.

The report, noting the contributions made by the many regional arts associations, stresses their ability to foster distinctive regional cultures more effectively than the council.

Housing the Arts

The Housing the Arts scheme to provide buildings for activities in the arts has now completed its fourth year of operation, the report records, and a total of £1 million in cash grants has been distributed between 84 schemes. Only 11·9 per cent of this total has been spent in the London area. Scotland and Wales have received 19·8 per cent and 7·8 per cent respectively, and the balance of

[1] During a debate in the House of Commons on 5th February on grants for the arts, Miss Jennie Lee, Minister of State, Department of Education and Science, announced that, subject to parliamentary approval, the Arts Council grant for 1970-71 would be £9 3 million (*Hansard*, col 724)

60·5 per cent has gone to schemes in England outside London. The largest sum yet committed is £300,000 to the new theatre in Sheffield planned to open in 1971.

Young People's Theatre

Help for young people's theatre activities represents an increasingly important element in the council's provision for drama, the report says. Following the inquiry into this subject, the setting up of a specialist panel and the beginning of subsidy provision, both the specialist children's theatre companies and the repertory theatres have been able to develop their activities for children and young people.

The report describes two interesting new developments during the year: the decision by the National Theatre to establish a young people's theatre centre near to its own premises, the Old Vic, and a project—which will also receive a capital grant under the Housing the Arts scheme -for a Theatre Centre at Fairlop in the London Borough of Redbridge. The Theatre Centre will provide a headquarters for a touring children's theatre, which has been in successful operation for a number of years, and, from the building, companies will continue to travel throughout the country

Scotland

Two inquiries are at present in progress in Scotland the Committee of Inquiry into Orchestral Demands and Resources in Scotland and the Theatre Inquiry. During the year the King's Theatre, Edinburgh, was purchased by Edinburgh Corporation, with the financial assistance of the Arts Council Scottish Opera extended its activities to Florence and Newcastle. One of the most important artistic events in the year was the decision of the Western Theatre Ballet to move to Scotland, change its name to the Scottish Theatre Ballet, and work in close artistic association with the Scottish Opera.

In the visual arts a new phenomenon was the non-profit distributing art gallery, and two such galleries- the Richard Demarco Gallery in Edinburgh and the Compass Gallery in Glasgow have received substantial grants from the council. For the first time the council mounted a major exhibition for the Edinburgh Festival Society It welcomed, during the year, the setting up of a Gaelic Books Council at Glasgow University and made a grant to it for its literary activities promoting Gaelic literature, making grants to publishers and occasionally commissioning new works.

Wales

The Welsh Arts Council gave grants totalling £20,000 during the year to foster Welsh literature. As well as awards to authors, a number of production grants were made to publishers Some poetry readings were sponsored during the year, and the council also supported the production of six records by eminent Welsh writers.

In music, the council states that its main aim in respect of festivals has been to maintain or improve standards largely by increasing the professional element. During the year the council recommended the setting up of a Welsh Amateur Music Federation, a body which would give financial, artistic and administrative help to choral societies, orchestral societies and brass bands, as well as offering copy, library, secretarial and administrative facilities. Steps are now being taken to establish the federation.

The Welsh National Opera Company's new headquarters in Cardiff was opened in March 1969; it was acquired with the financial assistance of Cardiff

Corporation, the Arts Council's Housing the Arts Fund and the Calouste Gulbenkian Foundation.

The Welsh Arts Council appointed a Drama Committee in September 1968; it has reviewed progress on the proposed founding of a National Theatre for Wales, has agreed to initiate a survey of amateur drama and is studying what can be done to encourage the growth of young people's theatre.

New Towns: Statistics

Statistics showing the development of new towns in Great Britain were published in the January 1970 edition of *Town and Country Planning*, the journal of the Town and Country Planning Association. [The association 'advocates a national policy of land-use planning that will improve living and working conditions, advance industrial and business efficiency, safeguard green belts and the best farmland and enhance natural, architectural and cultural amenities'.]

NEW TOWNS IN GREAT BRITAIN

	Added 1969	Total to December 1969
New population	44,702	637,152
Total population		1,089,900
Total employment		502,131
New shops	172	3,013
New schools	19	396
New factories.	147	1,126
	(3,388,077 sq ft)	(39,574,009 sq ft)
New offices	91	710
	(294,006 sq ft)	(3,281,558 sq ft)
Capital expenditure	£74 0 million	£731 7 million
Housing only	£49 7 million	£449 5 million
New dwellings:		
Development corporations	11,898	166,316
Local authorities	1,797	20,957
Others	1,254	15,888
Total	14,949	203,161

Figures refer only to the first 24 towns, out of a total of 27

Government and Administration

Licensing of Marriages on Unlicensed Premises Bill. Second reading of a private member's Bill extending the Anglican Church's right to perform marriages on premises not licensed for the purpose to other churches and sects.	*Hansard,* 13.2.70 cols. 1602-53
Criminal Injuries Compensation Figures released by the Criminal Injuries Compensation Board (CICB) show payments totalling £1,988,103 to victims of crime in 1969, compared with £1,610,689 in 1968; the board resolved 6,568 cases in 1969 (5,759 in 1968) and paid 5,137 (4,713 in 1968) full awards	Press release CICB, 10 Russell Square, London WC1 10.2.70

External Affairs and Defence

Overseas Representation. British Government's position briefly explained in answer to questions in House of Commons (see also *Hansard* [HL], 19 11 69, cols 917-1055).	*Hansard,* 2 2.70 cols. 15-16
Nigeria Relief and Rehabilitation Debate in the House of Lords, during which further information was given about British aid (see pp. 198-200).	*Hansard* [HL], 10.2.70, cols. 842-70

Economic and Scientific Affairs

Botswana Radio Transmitter Details of the transmitter, installed in 1965 to relay BBC programmes to Rhodesia and later presented to Botswana by Britain, and the cost of installation, operation and protection	*Hansard* [HL], 5.2 70, cols. 746-7
Antarctica Information on Soviet scientific activities in Antarctica, provided by the Soviet Government under the terms of the Antarctic Treaty, together with particulars of stations, by nationality, expected to be in operation in the treaty area during the coming winter season.	*Hansard,* 6.2.70 written answers cols. 212-13
Costs and Revenue of National Newspapers. Report by the National Board for Prices and Incomes (see pp. 220-1).	Cmnd. 4277 HMSO, 4s 6d
Short Guide to Taxes in Britain.	COI, R.5590/69
British Economy.	COI, R.5612/69
Notes on Science and Technology in Britain: No. 34 The Nuclear Power Programme. No. 43 Automatic Landing Systems. No. 45 Pulse Code Modulation.	COI, R.5476
Problem of Noise.	COI, R(SN).5868
British Aid in the 1970s.	COI, Factel No. 594

Social and Cultural Affairs

Owner-occupation in the New Towns. Agreement has been reached between the Ministry of Housing and Local Government and the Building Societies Association on joint arrangements for financing the sale of houses belonging to the Commission for New Towns and the development corporations. Under the arrangements building societies will provide 70 per cent first mortgages, and corporations and the commission will be encouraged to grant second mortgages to make up, where necessary, the full selling price of the house.	*Hansard,* 3.2.70 written answers col. 62
National Council for the Unmarried Mother and her Child. The Secretary of State for Social Services announced that he had decided to increase the grant to the National Council for the Unmarried Mother and her Child from £5,000 to £15,000 a year for the next three years. This was to help the council develop its work in meeting the special problems faced by unmarried mothers and in improving the social position of unmarried mothers and their children.	*Hansard,* 9.2 70 col. 243
University Grants Committee. Annual Survey, Academic year 1968-69 (see pp. 231-3).	Cmnd. 4261 HMSO, 4s
First Employment of University Graduates 1967-68. University Grants Committee (see pp. 233-5).	HMSO, 10s
Report of the Committee on Technician Courses and Examinations. Department of Education and Science (see pp. 230-1).	HMSO, 12s 6d
Statistics of Education 1968: Vol. 5, Finance and Awards. Department of Education and Science.	HMSO, 18s
Proposals for the Curriculum and Examinations in the Sixth-form (see p. 228).	Schools Council 158 Great Portland Street, London SW1, 1s 3d
Arts Council of Great Britain. Twenty-fourth annual report and accounts for the year ended 31st March 1969 (see pp. 235-8).	Arts Council, 105 Piccadilly, London W1V 0AU 5s
Jockey Club: Grant of Royal Charter. A royal charter has been granted to the Jockey Club by the Queen, acting on the advice of the Privy Council.	Press release Racing Information Bureau, 43 Great Marlborough Street, London W1, 10.2.70

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United Kingdom Parliament

PARLIAMENTARY COMMISSIONER'S REPORT

Fewer than one-fifth of the cases which warranted a full investigation by the Parliamentary Commissioner for Administration during 1969 disclosed elements of maladministration which had led to some measure of injustice, according to the Commissioner's annual report (*Second Report of the Parliamentary Commissioner for Administration, Session 1969-70*, HMSO, 15s).

A total of 790 cases were taken up by the Commissioner, of which 445 fell outside his jurisdiction and 43 were discontinued after a partial investigation. The remaining 302 cases were fully investigated and the results reported to the Member of Parliament through whom the complaint had been raised. Elements of maladministration were found in 48 cases, of which 26 concerned the Inland Revenue. The Commissioner's further investigations into the Inland Revenue showed that the maladministration was not of a culpable nature, but consisted mainly of errors and delays attributable to pressure of work.

Of the cases in which there was no jurisdiction, the majority had been rejected because the complaint was against a body (for instance, a local authority or a nationalised industry) not subject to investigation under the Parliamentary Commissioner Act 1967 [see 14.4.67 p. 373], or because it referred to matters not involving administrative functions, or because it was a personnel matter relating to the armed forces or the civil service.[1] The main reasons for the discontinuance of cases after a partial investigation were that administrative functions had not been involved, that the Commissioner had used his discretion to discontinue his inquiry, and that alternative remedies existed by way of the law courts or of appeal to a tribunal.

Northern Ireland

OPENING OF STORMONT PARLIAMENT. QUEEN'S SPEECH

The efforts being made by the Northern Ireland Government "to deal with the tragic economic and social consequences of the disturbances of 1968 and 1969, and to do all that is in their power to ensure that such events are not repeated" were outlined in the Queen's Speech read by Lord Grey, Governor of Northern Ireland, at the State opening of the Northern Ireland Parliament on 10th February 1970. The following are extracts from the speech.

Community Relations "It will be the task of the Community Relations Commission, of the Ministry of Community Relations, and of all responsible

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[1] Recommendations for the extension of the Commissioner's powers so that he can investigate grievances of servicemen and civil servants are contained in the *Second Report of the Select Committee on the Parliamentary Commissioner, Session 1969-70*, HMSO 4s.

agencies and individuals to work for the creation of renewed confidence and understanding in the community.' [See 16.1.70 p. 52.]

Economic Progress. 'These desirable, and indeed essential, ends cannot be achieved except upon a firm basis of continuing economic progress. My Ministers will accordingly present to you proposals for the physical and economic development of Northern Ireland for the period ending in 1975, based upon the advice of the economic and planning consultants who have been working in conjunction with Departments of my Government.' [See 10.10.69 p. 879 and 7.11 69 p. 985]

Industrial Relations 'A manpower policy will be pursued to ensure that people are fully and appropriately equipped to meet the new and changing requirements of industry [See 9 5 69 p. 411] Measures will be introduced to keep the position in regard to industrial relations generally and industrial safety, health and welfare in broad conformity with that in Great Britain On all these matters there will be close liaison with representatives of employers and employees'

Social Services. 'The Review Body on locally administered services, assisted by the assessors nominated by the three principal associations of local authorities, is actively at work considering the many complex problems involved. When its advice is received, it will be made available to all concerned for study and comment [See 7 11 69 p 986] Legislative measures arising from this review will be brought before you'

'Legislation will be introduced as a result of the decision, announced on 10th October 1969, to establish a central housing authority, and my Ministers are confident that this will make possible a very desirable acceleration of the building programme throughout Northern Ireland' [See 7.11.69 p. 986.]

'You will be asked to approve legislation introducing new schemes of national superannuation and social insurance and protecting occupational pension rights on change of employment'

Law and Order. 'A measure will again be laid before you to establish a Police Authority, to make provision in relation to assistance between the police forces in Northern Ireland and forces in Great Britain, and to make other provision in relation to the police services' [See 5 12 69 p. 1063]

'The Special Powers Act and Regulations made thereunder are being reviewed in the light of the existing commitment to take appropriate action when the state of the country permits' [See 18 7 69 p 611]

'Legislation will be introduced to amend the law relating to legal aid and advice, and in particular to provide for the recovery, in certain cases, of contributions towards the cost of legal aid from persons assisted in criminal cases'

Britain and the EEC

WHITE PAPER ON ECONOMIC CONSEQUENCES OF ENTRY

On 10th February the Government published as a White Paper an economic assessment of the projected effects for Britain of membership of the European Communities *Britain and the European Communities. An Economic Assessment* (Cmnd 4289, HMSO, 4s) The assessment is intended to complement the accounts of the reasons underlying the British application and its implications which were set out in four White Papers at the time of the application in 1967.

The first White Paper of 1967 (Cmnd 3269) dealt with the main political reasons for the British decision and the issues it would be necessary to resolve during negotiations [see 12 5 67 pp 482-4], the second (Cmnd. 3274) with the agricultural position [see 26 5 67 pp 533-4], the third (Cmnd. 3301) with the legal and constitutional implications [see 9 6 67 p 607], while the fourth (Cmnd 3345) comprised the statement by the then Foreign Secretary, Mr. George Brown, at the meeting of the Council of the Western European Union [see 4.8 67 pp. 783-8]

While the political arguments for entry have remained largely unchanged since 1967, developments since 1967 both in Britain and in the Community have necessitated a reappraisal of the economic effects of British membership. Major decisions affecting the future of the Community have been taken at the EEC summit meeting in December 1969 [see 2 1 70 pp 6-9] and in subsequent Council of Ministers meetings [see 13 2 70 pp 147-8] For Britain the cost of entry has been somewhat increased by devaluation, but on the other hand there has been a very substantial improvement in the balance of payments and in the competitive strength of the economy

Prime Minister's Statement

Presenting the White Paper to the House of Commons on 10th February (*Hansard*, cols 1080-4), the Prime Minister, Mr Wilson, stressed that it was intended to be seen in conjunction with the earlier White Papers and dealt exclusively with the economic aspects of entry

Assumptions Underlying the Estimates

The Prime Minister made clear that in making the assessment many assumptions had had to be made by the Government, and the estimates should therefore be regarded as speculative Of particular importance was the fact that the calculations did not allow for what the Government hoped to achieve in the course of negotiations. The Prime Minister also noted that developments were still taking place in the Community which might necessitate a further revision of the estimates. On the subject of the long-term industrial consequences of entry—referred to in the White Paper as the ' dynamic effects '—Mr. Wilson drew attention to the findings of the Confederation of British Industry [see

13.2.70 pp. 149-52], saying: 'We have not found it possible to set out figures in quantifying these industrial consequences. It is right that those who are engaged in industry and trade, to whom would fall the responsibility of taking the thousands of day-by-day decisions which entry into the Communities would entail, should judge . . . to what extent membership would give industry more opportunity for successful enterprise and expansion'. He also pointed out that the White Paper made no attempt to estimate the cost to Britain of remaining outside the Communities

The Economic Background

After noting that the White Paper would be the subject of a later debate after Parliament had had 'adequate time to study the White Paper and to study the public comment which the White Paper will no doubt generate both in Britain and overseas', the Prime Minister went on to discuss Britain's attitude to negotiations. 'Today is not the time to attempt to draw conclusions in terms of policy. . . . Britain's application for membership has been made and that is not in question. The Governments of the Six have made clear their intention that negotiations will begin in the summer. Until the outcome of these negotiations is known neither the Government nor Parliament will be in a position to take final decisions. The negotiations will take place against the background of Britain's economic progress, and particularly of the improvement in our balance of payments and in the strength of sterling. Not only this House but the world outside recognises the sharp contrast of our position today with our position both in 1967 and in the previous negotiations from 1961 to 1963 These facts create a situation in which Government and Parliament can take their decisions in full confidence that on fair terms we can stand and profit by the far more competitive situation that entry into the Market implies. But equally they create a situation which leaves no one in doubt that should the negotiations not lead to acceptable terms for entry, Britain is and will be strong enough to stand on her own two feet outside This was the target a position of strength I set for our economic policies when the House debated these matters in 1967'

British Government Policy

The Prime Minister declared that the final question of entry did 'not arise on this White Paper, nor indeed in the debate which will follow'. He added 'It is in the light of the negotiations which are due to begin in the near future that this decision must be taken. The Government and the House, of course, will recognise that political as well as economic factors are involved If, when the decision is to be taken, the disadvantages for Britain appear excessive in relation to the benefits . . . the Government clearly would not propose to Parliament that we should enter the Communities. If, on the other hand, the costs, after negotiations, appear acceptable in relation to the benefits, the Government will recommend entry.' Mr. Wilson concluded: 'The Government will enter into negotiations resolutely, in good faith, mindful both of British interests and of the advantages of success in the negotiations to all the members of an enlarged Community. We have made clear that if the negotiations produce acceptable conditions for British entry we believe that this will be advantageous for Britain, for Europe, and for Europe's voice in the world. Equally, we have made clear that if the conditions which emerge from the negotiations are in the Government's view not acceptable, we can rely on our own strength outside the Communities. But I repeat what I have said on a number of occasions . . . that such an outcome—a failure of the negotiations—would involve a cost for Britain, a cost for Europe, and a diminution of Europe's influence in world affairs.'

Summary of White Paper

A summary of the main sections of the White Paper follows.

Form and Limitations of the Assessment

The White Paper makes clear that ' a comprehensive, reliable and quantified assessment of the economic effects of membership, starting say in the early 1970s and building up during that decade, is quite impracticable. Not only are the areas of uncertainty . . . very large, but the technical problems of making comprehensive and realistic estimates of the effects of membership are equally formidable. It is equally impracticable to make reliable estimates of the situation in which we should find ourselves in the latter part of the 1970s if this country is not to join the Community '. The Paper emphasises that ' it is that future situation, some years ahead, and not our position today, which one has to try to compare with our position as a future member, if the effects are to be fairly assessed '.

Despite the difficulties, since the issue is so large it is necessary to make such quantitative estimates as can be made, within the general economic context, in the sectors where economic effects would be most pronounced, that is:

Agriculture and Food,
Industry and Trade, and
Capital Movements and Invisible Trade.

The effects of membership are unlikely to have their full impact until the later 1970s and, particularly important, no allowance is made for the effect of negotiations on the terms of entry.

Agriculture and Food

Since the Government outlined in May 1967 the Common Agricultural Policy and the effects of its adoption (*The Common Agricultural Policy of the European Economic Community*, Cmnd 3274, see 26.5.67 pp. 533-4), certain developments, including the devaluation of sterling in November 1967 and the rise in the cost of the Common Agricultural Policy, have led to changes in the

TABLE I

ESTIMATED CHANGE IN UK FOOD IMPORTS AND ESTIMATED LEVY RECEIPTS

£ million

	Larger change in consumption		Smaller change in consumption	
	Food imports*	Levies	Food imports*	Levies
Present difference in prices				
Upper production response	85	185	+105	210
Lower production response . .	+60	195	+250	220
Middle production response				
Present difference in prices .	−15	190	+175	220
Smaller difference in prices .	+80	165	+255	185
Larger difference in prices . .	75	195	+120	230

* Estimated change in food and feed import bill (net of exports) at c.i.f. prices

picture of likely effects for Britain on producer prices, food prices and the balance of payments. However, an attempt to assess these effects is 'an attempt to compare what might happen if we became a member of the Community with what might happen if we did not. It also assumes that, if we became a member, we should adopt the Common Agricultural Policy essentially as it stands'. The White Paper stresses that 'this is a simplifying assumption which carries no implications whatsoever as to the changes which might be agreed upon in negotiations for our entry'.

The White Paper estimates that in an enlarged Community Britain's imports (excluding the levies payable on them) could cost between £85 million less and £255 million more a year than if Britain remained outside. The outcome would depend on the difference between British and EEC prices at the time, and on the response of British farmers and consumers to the higher Community prices (see Table 1). The maximum likely increase in British retail food prices would, over a period of years, be in the range of 18 to 26 per cent, this would involve an increase of between 4 and 5 per cent in the cost of living index spread over the same period.

Britain would have to contribute to the Community budget, nearly all of which at present goes to finance expenditure on agriculture. The Six have now reached agreement on how the Community's budget is to be financed during the next few years [see 13.2.70 pp. 147-8]; this agreement is a complicated one, and while it is possible to estimate the theoretical upper and lower limits of the projected British contribution—£670 million and £150 million respectively it is not possible to make a realistic estimate of where in that range the figure would be fixed, since Britain was not, of course, a party to the Community financing agreements It is estimated that Britain might receive back from the Community budget about £50 million to £100 million annually through the operation of the Common Agricultural Policy.

As regards the effect on the British balance of payments, the net cost would be likely to be rather higher than the annual £175 million to £250 million estimated in 1967, partly because of the increased cost of the European Agricultural Fund. However, the countries of the FEC are at the present time considering proposals for measures which might bring this cost more under control, and the application to the British situation of the Community's agreement for meeting this cost would be a matter for negotiation

Trade and Industry

Some economic advantages to be gained through membership of the EEC are indicated by an historical analysis of economic and trade statistics during the period of the EEC's existence.

The EEC market is not only larger but is growing more rapidly than the British market. From 1958-67 the annual rise in the gross national product per head averaged 2½ per cent in Britain compared with 4 per cent in the EEC. Although a number of EFTA countries have enjoyed comparatively high growth rates, the preponderance of Britain in EFTA has meant that the EFTA market as a whole has grown more slowly than the European Common Market. The more rapid growth in the Common Market compared with the British market is also indicated by the fact that between 1958 and 1967 industrial production in the EEC rose by 68 per cent compared with a 37 per cent rise in Britain.

The dismantling of tariff barriers within the EEC and the maintenance of a common external tariff have resulted in a rapid increase in intra-Community trade. During the years 1958-68 this trade increased fourfold, while British exports to the Community—despite the fact that the Community was Britain's largest single export market—rose by only two and a half times.

TABLE 2

GROWTH OF GROSS NATIONAL PRODUCT PER HEAD AT 1963 MARKET PRICES, 1958-67

Average annual percentage increase

EEC countries		EFTA countries	
Federal Republic of Germany	3·7	United Kingdom	2·5
France	3·9	Sweden	3·8
Italy	4·8	Norway	4·0
Belgium	3·8	Denmark	4·2
Luxembourg	*n.a.*	Austria	3·7
Netherlands	3·7	Switzerland	3·1
Average all EEC countries*	4·0	Portugal	5·2
		Average all EFTA countries*	3·0

Source OECD National Accounts of OECD Countries, 1958-67

* At 1963 exchange rates

n.a. not available.

These economic trends are clearly evident in the accompanying tables. Table 2 compares the increase in gross national product during the same period for EEC and EFTA countries. tables 3 and 4 compare the growth and pattern of EEC and British foreign trade during the years 1958-68. The effect of the EEC in transforming the pattern of export trade of the six EEC member nations is illustrated in table 5, which shows the pattern and average annual percentage growth rates of exports for individual EEC countries from 1958-68.

Britain's Trading Partners

Although Britain's existing preferential trading relationships with the Commonwealth Preference Area, EFTA and the Irish Republic would be adversely affected, this should be seen against the new preferential position Britain would enjoy behind the Common External Tariff of the enlarged Community. It is also important to take account of the probability of the continuing erosion of preferences in the Commonwealth and the possibility of new preferential trading arrangements between the Community and some of Britain's trading partners.

The ' Dynamic ' and ' Impact ' Effects of Entry

If Britain became a member of the Community, it would form part of a customs union of up to 300 million people covering a substantial part of the land area of Europe. Following the termination of transition arrangements, within this area a ' home market ' for British industry—industrial products would eventually move without tariff or quota restrictions. A transition from the Customs Union to full economic union is already envisaged by the Community through the harmonisation of commercial policy in such fields as trading relations with third countries, economic and fiscal policy, company and patent law, standardisation, and in general the whole structure of law and practice within which industry would operate. Such an enlarged market would hold substantial advantages for British industry, with opportunities for greater economies of scale, increased specialisation and the stimulus of a sharper competitive climate and faster growth.

While these ' dynamic ' effects are impossible to quantify in terms of the overall effects on Britain's economic growth and balance of payments, it has,

however, been possible to make a ' rough estimate ' of the possible cost to the balance of payments of the so-called ' impact ' effects of membership, that is the changes in tariffs and food prices necessary if Britain joins the Community, and their implications for wage levels and the balance of payments. The net effect of these changes would be disadvantageous to British industry; the cost to the balance of payments might build up in the course of a transition period to an annual total of around £125 million to £275 million on an estimated future level of overseas trade running at about £18,000 million. It must be noted, however, that these estimates are dependent upon a series of assumptions about the course of world trade during the next five years, and the likely effects and timing of a complex series of tariff and cost changes on foreign trade goods.

On balance, provided that there was a vigorous response by British industry to the opportunities which might arise through British membership, there would be substantial ' dynamic ' benefits to set against the adverse ' impact ' effects.

TABLE 3
EXTERNAL TRADE OF THE EEC
excluding intra-trade

	1958		1968		Percentage increase 1958-68
	£ million	Per cent of total	£ million	Per cent of total	
Imports					
Total	5,747	100	13,978	100	143
United Kingdom .	420	7	1,069	8	155
Continental EFTA*	943	16	2,201	16	133
Rest of world . . .	4,384	76	10,708	77	144
Food, beverages and tobacco .	1,436	25	2,538	18	77
Basic materials and fuels ..	2,695	47	5,523	40	105
Manufactured goods .	1,591	28	5,683	41	257
Exports					
Total	5,667	100	14,704	100	159
United Kingdom ..	474	8	1,303	9	175
Continental EFTA* . ..	1,366	24	3,539	24	159
Rest of world	3,827	68	9,862	67	158
Food, beverages and tobacco ..	542	10	1,046	7	93
Basic materials and fuels .	527	9	1,023	7	94
Manufactured goods	4,523	80	12,467	85	176

Source: OECD Series B.
* Including Finland.
Note: Import values are c.i.f., export values f.o.b

In a consideration of the disadvantages of membership both for industry and the economy, it is necessary to recognise that if the total balance of payments burden as a result of membership were to become excessive, Britain might find itself unable to pursue economic policies which enabled the full benefits of membership to be realised: as this would be as contrary to the interests of the Community as to those of Britain, the Government would expect to find its avoidance a common aim of all concerned with the negotiations.

Capital Movements and Invisible Trade

The White Paper states that the consequences of coming into line with Community practice over capital movements could be expected to involve a

TABLE 1
EXTERNAL TRADE OF THE UNITED KINGDOM

	1958		1968		
	£ million	Per cent of total	£ million	Per cent of total	Percentage increase 1958 68
*Imports**					
Total	3,834	100	7,745	100	102
EEC	538	14	1,551	20	188
Continental EFTA†	436	11	1,161	15	166
Commonwealth	1,336	35	1,867	24	40
Rest of world	1,521	40	3,166	41	108
Food, beverages and tobacco	1,490	39	1,900	25	28
Basic materials and fuels	1,345	35	2,109	27	57
Manufactured goods	977	26	3,627	47	371
Exports					
Total	3,250	100	6,183	100	90
EEC	448	14	1,196	19	167
Continental EFTA†	352	11	858	14	144
Commonwealth	1,239	38	1,408	23	14
Rest of world	1,211	37	2,721	44	125
Food, beverages and tobacco	194	6	398	6	105
Basic materials and fuels	242	7	346	6	48
Manufactured goods	2,714	84	5,285	85	95

Source Annual Statements of Trade of the United Kingdom

* Excluding United States military aircraft

† Including Finland.

Note: Import values are c.i.f., export values f.o.b.

TABLE 5
EXPORTS BY EEC COUNTRIES

Average annual percentage growth rate of exports 1958-68

	To other EEC %	To rest of world %
France	17	6
Federal Republic of Germany	15	8½
Italy	21	12
Belgium/Luxembourg	14	5½
Netherlands	13½	6½

Source United Nations statistics

sizeable cost to the British balance of payments ' in a typical year ' as compared with the situation if existing British exchange control rules were maintained unaltered, but adds that the cost would vary ' according to circumstances which cannot usefully be predicted In some years it would be substantial, in others negligible or even turn into a modest gain ' It concludes ' To the extent however that continued improvement in our balance of payments position may be expected to lead to some easement of the present United Kingdom exchange control rules, the effects of superimposing the obligations of membership on top of this would be reduced In addition there should in any case be an improvement in invisible earnings as a result of membership '

Overall Economic Assessment

In assessing the total cost to the balance of payments of assuming membership of the Community, an addition of the extremes of figures given in the preceding sections gives a misleading and unrealistic estimate ranging from £100 million to £1,100 million It is inconceivable that the many elements affecting the items of balance of payments cost would all be either unfavourable or favourable; the largest single figure, that of a theoretical British contribution to the Community budget, takes no account of the bearing on Britain of the arrangements which the Six agreed among themselves in principle in December [see 13.2.70 pp. 147-8] Furthermore, the range makes no allowance for the favourable ' dynamic ' effects of entry on British trade and industry, nor for any adjustments which might be made during negotiations

Nevertheless, membership would be likely to involve a substantial balance of payments cost, which would take effect gradually over the transitional period. This cost is likely to be ' well within the extremes ' of the range quoted above. The White Paper goes on to argue that this cost would have to be met out of British national resources (GNP) which would be growing during the transition period. The ' crucial question ', therefore, is whether Britain's gross national product would grow faster as a member of a much wider market, and whether the extra growth would provide more than sufficient resources to meet the cost of entry. This would depend on many incalculable factors, including the outcome of the negotiations and the response of British industry to the stimuli of the greater opportunities and stiffer competition in an enlarged Community.

The White Paper states that the British GNP has been growing at about 3 per cent a year during the past decade and is today some £39,000 million per year. The estimates of the balance of payments cost of membership would involve at most an additional claim on the annual rate of growth over a period

of a few years of considerably less than one per cent of the British GNP. ' Past experience and the weight of informed opinion in industry leads to the expectation that the increase in GNP would be greater if we were in the Community than if we were outside it. How much greater, it is impossible to estimate: this must remain a matter of judgement ' Noting that ' it would need only a slightly greater increase- considerably less than one per cent annually over a period of a few years to offset any probable cost of entry and leave us with a net gain ', the White Paper states that ' there seems to be a reasonable likelihood of such a net gain provided that the cost is not unduly high, what the cost will be can be ascertained only in the course of negotiation. It will then be for Parliament to decide.'

Conclusion

The White Paper concludes by noting that Britain's economic position today is better than it was in 1967. The Six are now unanimously in favour of British entry and the political arguments for closer unity between Britain and the nations of Western Europe have become stronger ' The major uncertain factor is still the balance of economic advantage particularly in the short run, where the assessments in this paper indicate a wide range of possible consequences of membership, depending on the development of the Communities' policies over the next few years and upon the outcome of negotiations to determine the terms upon which Britain might join the Communities.

' This White Paper demonstrates the need for negotiations to determine the conditions on which the opportunity for entry could be seized Failure to reach agreement in these negotiations would not necessarily condemn Britain or the European Communities to political or economic sterility But Europe would have lost another historic opportunity to develop its full economic potentialities in the interests of the welfare and security of its citizens, in that case the world would have lost a contribution to its peace and prosperity that neither Britain nor the countries of the European Communities can make separately '

COMMONWEALTH IMPLICATIONS OF ENTRY

The Secretary of State for Foreign and Commonwealth Affairs, Mr. Michael Stewart, dealt with the implications for the Commonwealth of British entry into the EEC in a speech to the Royal Commonwealth Society on 19th February

Changing Relationships and Wider Groupings

The past 200 years, he said, had seen great changes both in Britain and in the countries of continental Europe, and also in their relationships with each other and with the rest of the world. During the latter part of that period the great change for Britain had been that from Empire to Commonwealth. Adaptation to these changes had been successfully accomplished in the past and the change in relationship involved in negotiations for Britain's entry into the European Community could be approached with confidence. If these negotiations, into which the British Government was entering resolutely and with good faith, were successful, there would be further changes in Britain's relationship with the Commonwealth, as well as with Europe Mr. Stewart believed that these could be beneficial to all the parties concerned.

The years since the second world war had seen a steady movement from national units to wider units. The advance to the front of the world stage of two super-Powers and the stirrings of a third had provoked, in reaction, a growth of regional groupings and organisations. These included defence pacts such as NATO, CENTO, SEATO and ANZUS, political organisations such

as the OAU and the OAS, and economic groupings such as the EEC, EFTA and the East African Community. They exemplified recognition by nations in a shrinking world of the necessity for interdependence, and demonstrated an unwillingness of smaller nations to accept the domination of the world by super-Powers.

A number of Commonwealth countries other than Britain had already seen it to be in their interest to join these groupings, but they still valued the Commonwealth association, Mr. Stewart continued. Similarly, the British Government had decided to apply for membership of the European Community whilst still valuing and wanting to preserve the Commonwealth association.

Benefits of an Enlarged Community

Among the reasons for that decision affecting Britain's external relations was ' recognition of the fact that an increasingly united Europe will be better placed to speak on equal terms with the United States, with the Soviet Union, in world affairs, and as a European country we have got to play our part in building European unity '.

An enlarged European Community, besides exercising influence in world affairs, could give Britain an opportunity to increase its own economic strength and standards of living. In the last 20 years the growing importance to British industries, particularly the newer industries, of the highly-sophisticated market of the EEC had become apparent. Whereas 20 years ago half of British exports went to Commonwealth countries, today the proportion was a quarter. Twenty years ago one-tenth of British exports went to the countries of the European Community; the proportion was now not far short of one-fifth. Mr Stewart was not denying the importance to Britain of Commonwealth trade, but the figures showed the changing pattern of British exports even when Britain was still outside the EEC tariff.

The other side of the coin was that once Britain was in the European Community the expected increase in its economic strength and activity could only help its Commonwealth trading partners. Inside Europe Britain would play its part in seeing that Europe was an ' outward-looking ' Community. Europe had much to offer, both in skills and money, by way of assistance to developing countries. There was increasing recognition that closer links between Britain and western continental Europe did not mean separation from the developing countries; growth of prosperity would in fact enable Britain to play a larger part in the task of helping them.

An enlarged, increasingly unified and confident Community would also serve to strengthen the links between Europe and North America. The Prime Minister had referred in New York in January to the need for joint determination to tackle the pressing urban and social problems of advanced industrial countries [see 13.2.70 pp. 142-5]; these problems would become increasingly important on both sides of the Atlantic.

Broadly speaking, what the British Government was concerned to do in its application to join the EEC was ' to play the part appropriate to us in creating an increasingly united and increasingly prosperous Community for the advantage not only of the peoples of western Europe, but for mankind as a whole and the Commonwealth countries among them '.

Effects of British Entry on Commonwealth Relationships

It had to be accepted, the Foreign and Commonwealth Secretary continued, that British entry into the EEC would have effects on Britain's relationships with the rest of the Commonwealth and would create some problems. However, Commonwealth and America ".' Similar statements, that ' a strong Britain economic interest would eventually be in theirs too. ' Lee Kuan Yew, the

pragmatic philosopher of the Commonwealth, in the Smuts memorial lecture last year at Cambridge, said: " With the restoration of confidence in Britain's economic strength, she will then add to the strength of western Europe, the Commonwealth and America ".' Similar statements, that 'a strong Britain means a strong Commonwealth' had been made at the 1969 Commonwealth Parliamentary Association conference.

The EEC was not a haven whose benefits only Britain could enjoy. 'There are already moves in East and West Africa and elsewhere—Malta, for example—which show that other Commonwealth countries recognise the advantages of being associated with the Market. The East African Community has recently concluded a treaty which established reverse preferences against us [see 25.9.68 p. 995] Now I will not say that we like that development, but we recognise this is in line with the way the world is developing, that it was an arrangement they had made on a view of their own interests and that we could not properly object to it. Neither can it be objected to us, therefore, that we also, not alone among Commonwealth members, are recognising the important fact of the existence of the EEC and . . . seeking to . . . secure that relationship with it which is appropriate to us.'

British entry would 'in the long term alter the patterns of our trade, and it would affect the system of Commonwealth preferences that operates at present. Commonwealth countries have done a good deal to diversify their trade since our original move to join the European Communities. But there do remain problems, and we have obligations to our fellow Commonwealth members over these problems, and we shall have them very much in mind in our approach to the Community.' Mr Stewart did not believe that the negotiations were likely to break down on that issue. Nor did he believe 'that it will be impossible for us to secure in the negotiations reasonable arrangements for those of our fellow members of the Commonwealth whose interests are likely to be most affected. The arrangements we would seek for safeguarding essential Commonwealth interests were set down in the statement which my predecessor, George Brown, made to Western European Union in 1967 [see 4.8.67 pp. 783-8], and that statement still stands.'

Safeguards for Commonwealth Interests

Briefly, the British Government had suggested as appropriate solutions: 'association under Part IV of the Treaty of Rome for our dependent territories, association as under the Yaounde Convention for the independent countries of Africa and the Caribbean, and trading arrangements as agreed in principle during the 1961-63 negotiations for other developing countries. In addition, we have laid emphasis on safeguarding the long-term interests of those developing countries and territories dependent on sugar exports, and on special safeguards for New Zealand's dairy produce.'

'The countries concerned are in no doubt of the British position on all this,' Mr Stewart emphasised. The British Government had 'kept in constant touch with Commonwealth governments; over the past six months there have been ten to a dozen opportunities for top-level discussions, apart from the usual diplomatic exchanges'.

There were those who believed 'that membership of the Communities will spell the end of the Commonwealth. Some are worried about this; others, I am afraid, seem hardly to conceal their delight at the thought. I may be doing an injustice, but I am weary of those critics who seem to set up their own distorted image of the Commonwealth and spend their time knocking it down or nibbling it away'. In fact, membership of the Communities and of the Commonwealth was perfectly compatible. 'Others of the Six at the moment happily continue relationships with countries with which they have traditional relations. If our negotiations are successful, we shall be entirely free to continue

our Commonwealth relationship to our own, and, I would hope, our new partners' advantage. There will be changes in economic arrangements but, as the Prime Minister pointed out recently in Canada, the lively and dynamic Commonwealth of today is very much more than an economic nexus with its roots in the Ottawa Agreement of 1932. The machinery of Commonwealth negotiation today is based hardly at all on the preferential system '

Misinterpretation of the Duncan Report

The Foreign and Commonwealth Secretary went on to refer to ' fears, aroused by misinterpretation of the Duncan Report on Overseas Representation [see 15.8.69 p. 697 and p 260 of this issue], that many countries, and among them Commonwealth countries, were to be relegated to some outer darkness beyond the so-called area of concentration, to which Britain was to give her major concern and attention '. He did not believe, ' and Sir Val Duncan has publicly confirmed this, that his committee ever had in mind such an over-simplification. What they were saying rests on the obvious truth that Britain, like any other country, has greater interests in some countries than in others, and the Government have said that we do not accept a sharp division of the world into two distinct areas, and since I became both Commonwealth and Foreign Secretary I have been daily reminded how essential it is to see the world as a whole '.

It was a pity that the interest aroused by the Duncan formulation of an area of concentration had ' obscured the important place which the Duncan Committee itself gave to the sustaining of Commonwealth links as one of the major agreed objectives of British policy We do not intend to neglect the measures necessary to maintain and consolidate the Commonwealth partnership Now the nature of the Commonwealth relationship does over a time change, as it must if it is to remain a living reality, and the nature and scale of British representation in Commonwealth countries should reflect these changes, looking to the future rather than to the past But in those places where it may in future be smaller, it will not be less important Nor do I intend that it should be any less well-equipped or less effective in the contribution it makes to mutual understanding and confidence in the Commonwealth '

The Political Development of Europe

Turning to ' the political development of Europe when the Communities are enlarged ', Mr. Stewart said. ' The authors of the Treaty of Rome intended that the Community should be more than an economic grouping The political future of Europe is sometimes, I think, quite mistakenly seen as a battleground between people who are labelled " federalists " and " anti-federalists " I believe that this antithesis puts the future in a wholly false and misleading light. " Federal and federalism " are emotive words To some people they suggest our being swallowed up in a system over which we British would have no control. No one wants that to happen and there is no question of it happening. We should judge the pros and cons of greater political integration in the same way as we judge the pros and cons of economic or technological integration what we in Britain have to gain, what we have to lose, in terms of influence and control over the events which determine our security and prosperity.

' There is no automatic obligation to any political federation or particular kind of political unity on adhering to the Treaty of Rome But many of us feel that there is a case for developing institutions towards political unity in Europe. Such a development may well be needed to make the best of the tremendous opportunities for Britain and Europe as a whole which lie ahead in the seventies and eighties, most of all the opportunity to restore Europe's influence and standing in the world on the basis of the enlarged European

Community '. As for what the position might be in ten or twenty years' time, the Foreign and Commonwealth Secretary did not believe ' that we can legislate for institutional forms over this sort of period. We should rather begin working together on a practical basis and allow the institutional forms to develop to suit the work we shall want to do together We can do a lot and go a long way together before we shall find ourselves called on to decide whether to work for institutions which could properly be called "federal". But there is, and I want to emphasise this, nothing here which would inhibit the present patterns of Commonwealth consultation '

The Importance of the Commonwealth Relationship

Mr. Stewart stressed that there was ' no contradiction between a forward-looking European policy and a strong support for the Commonwealth association ' The Commonwealth relationship remained important to Britain. The Commonwealth itself ' is responding to the challenge of change and is asserting its potential as a unique instrument of international co-operation ' It had reached what Mr Trudeau had described after the meeting of Commonwealth heads of government in 1969 as ' a new plateau of maturity, a new sense of entity and practical interdependence based on mutual self-interest '

What grounds were there for the belief that the Commonwealth relationship was not a fragile one? The attributes of the Commonwealth were well-known: ' English language, common institutions, judicial systems, habits of political and parliamentary exchanges, trading links, a quarter of the world's people spread across the continents, and of course, of special importance at this stage in world history, a multi-racial organisation International organisations can be smaller groupings of entirely like-minded nations. Such groupings can get on quite well because they are like-minded, their influence in the world is bound to be limited because they are limited in size Or they can be, like the United Nations itself, well-nigh universal organisations, important because of their size, but having to proceed rather cumbrously and laboriously because of the many different ideologies and beliefs that divide them. The Commonwealth, I think, stands somewhere between these two the nations that compose it not entirely like-minded, and a grouping large and varied enough to have influence in the world, but at least with sufficient in common to enable them to reach agreement and mutual understanding far more readily, for example, than can be done in New York at the United Nations

' But express this for a moment in terms of people Take Britain's relationship with the Commonwealth countries alone, to say nothing of inter-relationships of other Commonwealth countries, and think of 42,000 Commonwealth students in this country, 3,000 British teachers, 10,800 technical advisers, 5,700 educational experts in Commonwealth countries Then multiply that to take into account other Commonwealth countries' exchanges Think of the more than 250 Commonwealth societies, the 40 Commonwealth-wide professional associations, establishing contact at every level of society '

Mr Stewart paid tribute to the work of the Commonwealth Foundation in helping to set up these associations [see 13.2.70 p 177] and to bodies such as the Royal Commonwealth Society He also mentioned the twinning of schools, Voluntary Service Overseas work, youth exchanges and study tours, and welcomed the setting-up of the Commonwealth Youth Exchange Committee and the decision to hold a Commonwealth Youth Exchange Conference in London in March. Such exchanges and other contacts in the field of technical assistance, on the farm, in the laboratory, in the university or government office, were basically ' what makes this unique organisation tick '.

As this habit of working and consulting together was reflected in the main inter-governmental organs of co-operation, under the Commonwealth Secretary-General, ' we have an instrument to hand to meet the world problems of the

seventies, the problems of an advanced industrial society, the problems the waste of world resources, of hunger and population pressure, of race a human equality '.

The Commonwealth relationship, being expressed so extensively in terms people from many varied countries meeting together for purposes of comm use and common interest, had a vitality of its own and was 'of a differ nature from the relationship that we shall progressively obtain with those v will be our fellow-members of the European Economic Community'. Brit would continue to demonstrate that its devotion to the Commonwealth v no mere matter of words and was in no way qualified by the belief that a uni Europe, including Britain, ' would be to the general advantage of us all '

British Overseas Representation

GOVERNMENT VIEWS ON THE DUNCAN REPORT

The views of the British Government on some of the recommendations contai in the *Report of the Review Committee on Overseas Representation*, the Dunc Report [see 15.8.69 pp 697-9], were set out in a speech by Lord Shacklet the Lord Privy Seal (*Hansard* [HL], 19.11.69, cols 941-54), during a deb on the report in the House of Lords (cols 917-1055), and by Mr Geo Thomson, Chancellor of the Duchy of Lancaster, in answer to questions in House of Commons on 2nd February (see p 263) Some further comments the Duncan Report were made by the Foreign and Commonwealth Secretary a speech reported on p. 258 of this issue.

The Three Principles of the Report

There were, Lord Shackleton said, 'three broad principles upon wh the Duncan Report stands or falls and upon which its series of interlock recommendations must depend. These are first, the importance of recognis that Britain, while still a powerful and influential member of the internatio community, no longer has any claim to the role of super-Power on the Uni States or Soviet model . . . ; secondly, the urgency of getting and keep Britain's balance of payments right; and thirdly, the fact that with some countr we are more engaged and have more interests at stake than with others. I shou like to say firmly that the Government believe that these principles are soun The lesson we should draw from them is that our overseas representatio effort should be judged by its relevance to British interests in their widest sense stress " in their widest sense " —and not in a narrow sense '

Lord Shackleton emphasised that Britain did not intend to opt out of international responsibilities or abandon its responsibilities in the Commo wealth and in the world beyond Europe and North America He went on reaffirm that Britain's membership of the UN Security Council and of t United Nations generally was one of the key elements in the Governmen overseas policy, and that ' Britain's voice ' would continue to be heard ' in t councils of the world '. The ' honest description ' of Britain as a major pov of the second order in no way implied acceptance of ' a tame role in the wo or any diminution of our contribution to the maintenance of internation stability, peace and co-operation '.

The Role of the Diplomatic Service

Lord Shackleton emphasised the importance of maintaining the quality the Diplomatic Service, as Britain's changed role made it ' all the more necess

for us to use our brains . . . skill and experience, [and] in this context ou brains are to a large extent those of our diplomats '. Another factor enhancin the importance of a competent diplomatic service was the increasing extent t which British interests were becoming interlocked with those of other countrie This was most obvious, Lord Shackleton said, ' in the ever-increasing proportio of our economy which depends on international trade. But it is equally true i the political, scientific and technological fields; and this is not a trend which likely to be reversed.'

' The New Diplomacy '

Towards the end of the debate (cols 1044-54), Lord Shepherd, Ministe of State for Foreign and Commonwealth Affairs, referred to what the Dunca Report called ' the new diplomacy ', the growth and increasing importance c multilateral links through international and regional organisations. This growtl he said, would continue in the economic field and especially if Britain joine the European Economic Community, when ' commercial policy and economi work will acquire a new dimension ' for Britain However, there would sti be a role for traditional diplomacy, for ' multilateral discussions and negotiation do not obviate the need for close bilateral relations The new and often technica problems must be handled in the context of our general political relations an our wider international commitments ' Earlier in the debate Lord Shackleto had touched on this subject when he spoke of ' the increasing volume of inte governmental business which is dealt with in multilateral bodies ' and of ' certai countries with whom there is a spectrum of continuous interchange, in additio to the exchanges conducted by our resident missions ' He added. ' Even wit this, professional expertise in the diplomatic service and the local knowledg that only resident diplomatic representation can provide are essential to ensur that this new diplomacy can operate '

The ' Area of Concentration ' and the ' Outer Area

In his speech Lord Shackleton set out the Government's views on th distinction between an area of concentration ' and an ' outer area ' which ha been made in the Duncan Report This, he said, was a rough rationalisatio of the proposition that in some countries the range of British interests wa wider than in others ' But [the British] Government believe that the divisio has been too sharply drawn We do not underrate the political as well as th economic and commercial importance especially the potential growt importance of very many countries outside the so-called area of concentration To ensure the furtherance of British interests in the widest sense throughou the world, ' some of our diplomatic missions will have to be comprehensiv in their activities For others a more selective approach is appropriate. But . . we intend to maintain and do all we can to consolidate the Commonwealt partnership, and there is no question of reducing our commitments towards th remaining dependent territories

' Although the terms " comprehensive " and " selective " provide a usefu broad guide for a description of the activities of our missions overseas, ' Lor Shackleton continued, ' a much more refined scale will be required in practic Any such refinement must, of course, go hand in hand with a continuous revie both of the nature of specific British interests and of the missions which ar concerned with protecting them.' The Duncan principles would be ' an essentia background ' to all future regular routine inspections of overseas posts and th Government had ' every expectation that the continuous task of reshaping th instrument of our overseas representation will result in due course in certai useful savings '. Lord Shackleton stressed, however, the distinction betwee

're-shaping the instrument of our overseas representation and the particular institutions of the diplomatic service itself, where, I think, stability . . is important'.

Commercial Work and Export Promotion

Lord Shackleton recalled that the earlier Plowden Report on the diplomatic service had advised that commercial and economic work must be regarded as 'a first charge on the resources of the overseas services' and that it should be recognised by members of the diplomatic service as 'an important though not exclusive specialisation'. Britain's whole international standing, Lord Shackleton said, 'and thereby all the rest of our foreign and defence policies' would be compromised unless its economic strength were restored and maintained 'No matter how efficient and alert our diplomatic service and other services overseas are, they cannot operate effectively from a base of prolonged economic weakness.'

Lord Shackleton said that the Government shared the Duncan Committee's view on the importance of export promotion 'We envisage no major changes in our overseas representational service dealing with this aspect of the work There may have to be some redeployment of staff, and we realise that there is a limit to what government services can do in the export field In the last resort only British industry and its agents can actually sell British goods Therefore, we support the committee's view of the importance of developing "a meaningful dialogue" between industry and the government services' Lord Shackleton emphasised that the commercial work of the diplomatic service was not to be limited to export promotion 'Important though this is and here is the next qualification, or shall I say correction, in interpretation of Duncan that I should like to make—we do depend on sound assessments of commercial policy, and we need a thorough understanding of the economic interests of governments, and, above all, we need from our missions overseas the insight which they acquire into the political and economic circumstances generally in the world where they work. Clearly, political, commercial and economic work is indivisible or, at least, markedly interdependent.'

Overseas Aid

Concerning the administration of British overseas aid, Lord Shepherd stated that the Government accepted the view of the Duncan Committee that the present level of work and the existing number of staff was about right for a programme of the present size

The Information Services, the BBC and the British Council

The Government would be considering what economies could be made in the British overseas information services but Lord Shackleton felt sure that 'there will continue to be a requirement for an official voice overseas to put the British point of view on matters of policy to local press and broadcasting services. With regard to the BBC, I would not entirely agree with the Duncan Committee about certain aspects of their proposals for overseas broadcasting, for example, about the desirability or the feasibility either of trying to concentrate on an elite audience or of trying to improve broadcasts in English by cutting back those in vernacular languages. However . . a review is being put in hand . . . We are considering what steps should be taken to expand the [British] Council's activities in Europe [as recommended in the report] while not losing sight of the important role which the Council must continue to play in the rest of the world.'

House of Commons: Mr. Thomson's Answers

In the House of Commons on 2nd February, the Chancellor of the Duchy of Lancaster, Mr. George Thomson, answered a number of questions concerning the Government's policy toward the Duncan recommendations (*Hansard*, cols. 15-16) Mr Thomson referred Members to Lord Shackleton's speech in the Lords debate in November and reaffirmed the Government's view that the distinctions in the Duncan Report between the 'area of concentration' and the rest of world and between 'comprehensive' and 'selective' posts had been too sharply drawn A more refined scale was needed, and for this reason a post-by-post examination of the application of the Duncan Report was now under way. He assured the House that 'the report is looked upon by [the British] Government as a whole, not as a blueprint, not as a specific list of recommendations down which to go and fulfil, but as a set of general guidelines for the organisations of our overseas posts for the nineteen-seventies'

The Middle East

The discussions which have been taking place since early 1969 between the four permanent members of the Security Council (Britain, France, the Soviet Union and the United States) with a view to providing guidance for an Arab-Israel settlement (see 27.2.70 p. 200) have been directly related to the framework provided by the council's resolution of 22nd November 1967 That resolution affirmed *inter alia* the necessity for achieving a just settlement of the refugee problem During November-December 1969 the UN General Assembly and its Political Committee discussed the report of the Commissioner-General for the UN Relief and Works Agency for Palestine Refugees (UNRWA), which described the situation of the refugees and called for urgent additional finance to enable the agency to continue its relief and rehabilitation work

The exchange of messages in January and February 1970 between the Soviet Union and the other three Powers also touched on the possibilities of the limitation of or embargo on arms supplies to the Middle East, a question on which there have been statements of policy (see pp 268-9) by the four governments concerned

REFUGEES AND RELIEF

The Special Political Committee of the UN General Assembly discussed the Palestine refugee question from 17th November to 5th December 1969 It had before it the report for the year 1st July 1968 to 30th June 1969 of the Commissioner-General of UNRWA,[1] certain aspects of which were updated and emphasised by the Commissioner-General, Mr Laurence Michelmore, in his statement to the committee on 17th November

The UNRWA Report

In his report, Mr Michelmore stated that UNRWA's programmes of relief, education and health had continued during 1968-69 on the same lines as in the past [see 14.2.69 pp 166-9] The main problems during the year, he said, had been related to the continuing consequences of the 1967 hostilities,

[1] Published as Supplement No. 14 (A/7614) to the official records of the twenty-fourth session of the UN General Assembly

including military occupation and the continued deferment of hope of return to their homes for all but a small fraction of those who had to move in 1967; the persistence of sporadic hostilities and a general heightening of tension in the area; and a deteriorating financial position which cast doubt on the viability of the agency's future operations.

Position of the Refugees since July 1968

Reviewing the position of the Palestinian refugees, the report first pointed out that police and security functions in regard to camps and refugees generally were undertaken by the Arab host governments in Syria, Lebanon and east Jordan, and that a Security Council resolution of 14th June 1967 had called on the Israel Government to 'ensure the safety, welfare and security of the inhabitants' of the Israel-occupied areas, including of course, the refugees who had remained in Gaza and the West Bank

In Lebanon there were, on 30th June 1969, 81,000 refugees officially registered in camps. Despite a stormy winter they had not been exposed to emergency conditions, but they were indirectly affected by the repercussions of military and political events These events had depressed the economy and reduced opportunities for employment, and had also given prominence to the political aspects of the refugee problem (see p 266)

In Syria, where there were 24,500 registered refugees in established camps and 9,000 in emergency camps (on 30 6.69), the situation had been little different from that in the Lebanon, with very little employment available An UNRWA training centre at Homs was still occupied by Syrian displaced persons despite negotiations with the Syrian Government

In east Jordan the number of registered refugees in established camps totalled 70,500 as of 30.6.69 but a further 37,000 displaced persons also lived in these camps. Shelling, air raids and other hostilities added, the report stated, to the strains of exile and emergency conditions. The number of persons living in emergency camps had increased to 91,000 by the end of June as the result of movement into these camps by refugees or displaced persons who had at first found shelter with friends and relatives but who were now forced by dwindling resources or winter weather to seek accommodation in the camps These emergency camps, the report pointed out, were sited on barren land offering little shelter from heat or cold and dust or snow storms Contributions from various sources had permitted the construction of some 10,000 storm proof shelters (of which 700 were donated by the Standing Conference of British Organisations for Aid to Refugees) housing 60,000 persons Nevertheless about 30,000 refugees and displaced persons were still living in tents at the end of June 1969.

In the occupied territories of the West Bank and Gaza, the effects of persistent hostilities had also been felt and to them had been added those of resistance to the military occupation. On the West Bank, the work of schools and training centres had been dislocated and some Arab members of the UNRWA staff had been deported, imprisoned or detained by the military authorities. In the Gaza strip strikes and incidents of violence had been an almost continuous feature of life during the first months of 1969 and UNRWA had been unable to escape some of the consequences, such as the arrest, imprisonment and detention of staff for alleged illegal activities, and intrusions into agency premises by demonstrators and security forces. In spite of this the normal work of relief, health and welfare had continued without serious disruption and the educational services had never suffered complete breakdown. The total number of registered refugees in established camps on the West Bank was 67,300 and in Gaza 191,500.

The total number of Palestine refugees registered with UNRWA on 30th June 1969 was 1,395,074. Of these over 490,000 were living in UNRWA camps, the remainder, most of whom receive varying degrees of assistance from UNRWA;

had found their own accommodation. In addition there were some 350,000 or more ' displaced persons ' who had left their homes at the time of the June 1967 hostilities, but who were not registered with UNRWA.

The report pointed out that there had been only a limited return of refugees or displaced persons to their former places of residence during 1968-69, mainly under the ' family reunion ' scheme, and drew attention to the detrimental effect on the morale of both refugees and displaced persons caused by the lack of any progress toward a solution of the refugee question, coupled with the tensions arising from continued hostilities, violence and security measures.

The consequence for UNRWA of only limited return has been, the report states, the continuing need to provide services for more than 200,000 displaced refugees and other persons in Syria and east Jordan. In the UAR the agency had made a contribution to the relief of displaced refugees cared for by the Government.

The Jordanian Government, the report stated, in July 1968 prohibited the entry from the West Bank of persons intending to remain in east Jordan, thus virtually stopping migration from Gaza and the West Bank. This had enabled UNRWA to rectify its records and to conduct on-the-spot verifications of eligibility for the ration rolls in Gaza, West Bank, east Jordan and Lebanon. Consequent deletions from the rolls had made it possible to add children not previously eligible. Nevertheless ' in all areas children over the age of one year who are technically eligible for rations, but for whom none is available, now total 308,038 ' at 30th June 1969.

The report also noted that the economic situation of the refugees remained depressed and increased their need for assistance from the agency, assistance which was essential to the survival of the majority. On the other hand, in spite of the crowding and primitive sanitation of the emergency camps of east Jordan, there had been no major epidemics and the keenness of the young refugees for education and technical training continued unabated.

Finance

The 1968-69 report stated categorically that ' the deteriorating financial position of the agency has over-shadowed all other administrative and operational considerations '. Except for 1967, when a number of special contributions were received after the June hostilities, UNRWA had had a deficit in every year since 1963, the cumulative total of which now amounted to $7 million. The deficit forecast for 1969 was between $3.3 million and $3.8 million. The annual deficits had been cushioned by an accumulated surplus amounting to over $20 million in 1962 derived from funds donated earlier for large-scale resettlement and development projects which could not be used. This surplus was expected to have fallen to only $10 million by the end of 1969, out of which $7 million to $8 million would be immobilised in supplies in the ' pipeline ' etc. Thus, ' unless services are reduced or more funds are made available in one way or another ' the report continued, ' the agency is certain to run out of cash in 1970 '.

The reasons for UNRWA's recurring deficits were given by the report as increasing cost of goods and services (including wages of the 13,000 locally employed staff), rapid natural increase of the refugee population; increased demand for and costs of education, and special additional costs resulting from the effects of the 1967 war. These rising costs had not in most cases been matched by increased contributions from UN member-states.

Summarising the position, the Commissioner-General of UNRWA stated that ' it is obvious that for so long as the problem of the refugees remains unsettled, the need for the services provided by UNRWA must continue. . . . These services cannot be substantially reduced without bringing further hardship to hundreds of thousands of persons already on the verge of destitution, adding to their feelings of desperation and setting in train widespread repercussions

in the area that would exacerbate the inflamed and dangerous situation in the Middle East'. He therefore appealed to the UN General Assembly to set the agency's finances on a firmer foundation and assure it of funds adequate to its task.

Statement by Commissioner-General

Addressing the Special Political Committee of the UN General Assembly on 17th November, Mr. Michelmore outlined the main points of the 1968-69 UNRWA report and then went on to refer to the political situation in which the agency had operated since June 1967. Security considerations, he said, had been given greater emphasis by all the governmental authorities with whom UNRWA had to deal and there had been increased restrictions on the movement and activity of UNRWA personnel and the transportation of supplies, and this had restricted the effectiveness of its operations. With regard to the position in the UNRWA camps in Lebanon, (which were the scene of disturbances in October, see 27.2.70 p. 215), Mr. Michelmore pointed out that the 'camps' were like villages or particular areas within the larger cities, with free access for people in normal times. In these camp areas UNRWA established and maintained certain facilities operated by its own staff, but responsibility for the maintenance of law and order, justice and so on rested with the host government, which posted police and other government staff in each camp for these purposes. In the Lebanon in October 1969, the police and other government staff in some camps had been absent and 'armed men' had been exercising control over entry to and departure from the camps, but UNRWA activities had been only marginally interfered with.

On the question of finance, Mr. Michelmore said the estimated deficit for 1969 had now been raised to $4 million and repeated his urgent appeal to the General Assembly to set the agency's finances on a firmer foundation and assure it of funds adequate to its task.

British Statement

Speaking in the Special Political Committee on 28th November the British representative, Lord Caradon, said his delegation could take little satisfaction from the extent of international support for UNRWA or from the number of nations prepared to contribute to it. The British Government had, in addition to private and bilateral aid, given nearly $110 million to UNRWA over the past 20 years and was the second largest contributor. Britain's voluntary contribution would again be substantial for the coming year. He called on more than 50 countries, which had voted regularly for the continuation of the agency's mandate but had made no financial contributions at all, to help.[1]

Lord Caradon went on to regret the lack of progress in the search for a permanent settlement in the area. Implementation of the Security Council and General Assembly resolutions of June-July 1967 [see 21.7.67 p. 729] calling for the return of 'newly displaced persons' to their homes and places of residence should be the first step. The settlement envisaged by the Security Council resolution of 22nd November 1967 [see 8.12.67 p. 1228] was indivisible. There could be no peace without settlement of the refugee problem, and no settlement of the refugees without peace. Lord Caradon said he hoped that when Dr. Jarring was able to resume his mission, high priority would be given to efforts to work for agreement on a settlement of the refugee problem, than which no question was more complex, exacting or urgent.

[1] The leading governmental contributors to the financing of UNRWA are as follows (the figures given are total contributions from 1st May 1950 to 31st December 1969 in $US million): United States 455·6, Britain 109·5, Canada 23·8, France 15 9, Sweden 11 0, Federal Republic of Germany 8 2, UAR 5 4, Australia 4 1, Saudi Arabia 3 4, Denmark 2 7, Switzerland 2 5, New Zealand 2 5, Israel 2 4. The Soviet Union and the other Warsaw Pact countries are among the more than 50 countries which have not so far contributed to UNRWA.

Resolutions Adopted

Following the debate on the UNRWA report, the Special Political Committee recommended the adoption of three draft resolutions to the UN General Assembly

The first resolution was adopted by the General Assembly on 10th December by 110 votes in favour to none against, with one abstention The resolution, noting that the situation of the refugees continued to be 'a matter of serious concern', called *inter alia* upon all governments to make the most generous efforts possible to meet UNRWA's needs, and asked the UN Conciliation Commission for Palestine to continue its efforts to find a way to achieve progress in the implementation of Paragraph 11 of the General Assembly's resolution No 194 (III) relating to repatriation or compensation [see 14.2 69 p. 169, footnote].

In the preamble of the second resolution (sponsored in the Special Political Committee by nine Afro-Asian nations and Yugoslavia) the General Assembly recognised that 'the problem of the Palestine Arab refugees has arisen from the denial of their inalienable rights under the Charter and the Universal Declaration of Human Rights' and expressed 'grave concern' that the denial of their rights had been aggravated by various forms of reported repressive acts against the refugees and other inhabitants of the Israel-occupied territories. In the operative section of the resolution the Assembly drew the attention of the Security Council to 'the grave situation resulting from Israeli policies and practices in the occupied territories' and the refusal of Israel to implement relevant Security Council and General Assembly resolutions

In the discussions on this resolution in the Special Political Committee, Lord Caradon (Britain) had drawn attention on 5th December to the 'grave error' of taking action which would divide the committee and force its members into disagreement whereas until then voting in the General Assembly and the Security Council had been unanimous, or almost so, on the question of the refugees He urged the sponsors not to press this resolution to the vote, as it would lead to 'a division which I suggest is not only unnecessary but which can do very great harm'

The ten-Power resolution was adopted by the General Assembly on 10th December by 48 votes in favour to 22 against (including the United States) with 47 abstentions (including Britain and France) [1]

The General Assembly also adopted on the same day, by 108 votes in favour to none against with 3 abstentions, a resolution endorsing the efforts of UNRWA to continue to provide assistance on an emergency basis to persons in the area displaced as a result of the 1967 hostilities (i e not registered refugees) and 'strongly appealing' to all governments and organisations to contribute generously for this purpose

Contributions to UNRWA for 1970

At a pledging conference at UN headquarters on 11th December 1969, 41 governments pledged the equivalent of $13 8 million in cash, goods and services to UNRWA for 1970. The British Government's contribution was $4·5 million (£1 875 million), the same as for 1969 The pledges for New Zealand and the United States (which has been the principal contributor to UNRWA since 1950) were deferred pending final decisions by their Governments Eight governments made pledges for 1970 that had not done so in 1969.

[1] Earlier the General Assembly had adopted—by a roll call vote of 50 in favour to 46 against (including Britain and the United States) with 21 abstentions—a motion by Somalia declaring that this resolution came within the category of 'other questions' referred to in Article 18 of the UN Charter, on which decision shall be made by simple majority vote The President of the General Assembly, Miss Angie Brooks (Liberia), pointed out before the vote that the records indicated that the practice had been for resolutions on this question [Palestine refugees] to require a two-thirds majority

ARMS SUPPLIES TO ISRAEL AND THE ARAB STATES

A general embargo on or a limitation of the supply of arms to the parties concerned in the Arab-Israel dispute was suggested in the British and United States Governments' replies to Mr. Kosygin's messages of late January 1970 [see 27.2.70 p. 204]. Some account of the background to this problem is given below.

British Statement of Policy

A statement, in general terms, of the British Government's policy in relation to arms supplies in the Middle East and the principles on which it is based, was made by Mr. Evan Luard, Joint Under-Secretary of State for the Foreign and Commonwealth Office, to the House of Commons on 27th January 1970 (*Hansard* cols. 1416-24).

Mr. Luard recalled that at the time of the June 1967 war, and immediately after it, Britain had several times called for a general embargo on the supply of arms to all countries in the area and had for a time unilaterally applied an embargo of that kind. But, he said, a unilateral embargo could not of itself be of great value unless the example was followed by other countries. Britain would have been willing to take part in an agreement either to stop altogether the supply of arms to the area, or at least to limit the supply of arms in specified ways. Unfortunately these efforts, which the British Government had repeated a number of times, had not been taken up by some of the other governments concerned. As a result, Britain had remained ready to consider specific requests for arms from governments in the area so long as these met the principles which the British Government had laid down for meeting such requests.

One overriding consideration in meeting such requests was, Mr. Luard stated, the effect of any particular transaction on the chances of securing a settlement in the area. This meant considering above all the balance of arms in the area at the time in question, and not merely the numerical balance of arms; they must also be concerned about the overall balance of strength, of military effectiveness in the area. It was not simply a question of counting the tanks or the aircraft. 'Certainly', Mr. Luard emphasised, 'we do not wish to leave any country in the Middle East at such a disadvantage that some aggressor might be tempted to take advantage of it.'

In applying these principles a number of difficulties could arise. Military strength, he continued, could not always be calculated easily in exact terms, and the balance might be changed by new supplies or supplies of a higher grade of weapon to one side or the other or by a change of attitude or alignment of governments on one side or the other. Britain's 'prime consideration in considering a request for arms either from an Arab government in the area or from Israel must be the effect on the balance between these sets of countries.'

Mr. Luard said that, naturally, he could not comment on any particular arms transactions to which Britain was a party.[1] The British Government's policy was 'designed to bring nearer the day when a settlement might be possible. Meanwhile, we shall do nothing, either in supplying military equipment, or in refusing to supply it, which may increase the possibility of renewed conflict, or make more difficult the chances of arriving at a peaceful settlement, which we all desire.'

Other Statements on Arms Policies

The policy of the United States Government was stated by President Nixon *on 25th January 1970 in a message to a conference of American Jewish organisa-*

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[1] In a debate on arms supplies to Libya on 17th June 1969 (*Hansard*, cols. 258-314), Mr. Stewart, the Foreign and Commonwealth Secretary, said 'I cannot undertake to go into the details and particulars of what supplies we may be able to make, or think it right to make, to any country in the Middle East I can only . . . make clear to the House the principles which will guide our policy . . .' This had been the accepted practice of successive British administrations.

tions. In this he said that ' the United States is prepared to supply military equipment necessary to the efforts of friendly governments, like Israel's, to defend the safety of their people. We would prefer restraint in the shipment of arms to this [Middle East] area. But we are maintaining a careful watch on the relative strength of the forces there, and we will not hesitate to provide arms to friendly states as the need arises.'

On 30th January, President Nixon, replying to a question about the supply of additional jet aircraft to Israel[1] said ' we are neither pro-Arab nor pro-Israel. We are pro-peace We are for security for all the nations in that area. As we look at this situation we will consider the Israeli requests based on the threats to them from states in the area, and we will honour those requests to the extent that we see -we determine -that they need additional arms to meet that threat '

The French Government's policy on arms supplies was stated on 7th January by the official spokesman, M. Hamon, who referred to a statement the same day by M. Schumann, the Foreign Minister, to the French Council of Ministers in which he had traced the history of France's policy on this matter since June 1967 [2] This policy M Schumann had said, ' varies according to whether the arms concerned are offensive or not, the geographical situation of the purchasing countries, whether or not they participate in the fighting, and finally the evolution of the conflict ' The spokesman concluded by stating that France and Libya were holding arms negotiations within the framework of an extensive bilateral co-operation in all fields He pointed out that France was not the only western Power to be holding talks with Libya On 22nd January, the French Government announced the signature of a contract for the sale of 100 French jet military aircraft to Libya of which 80 would be *Mirage* fighters. Deliveries would take place between 1972 and 1974 On 28th January M Chaban-Delmas, the French Prime Minister said on television that if any of the *Mirages* sold to Libya changed destination then the following planes would be embargoed.

The Soviet Union and its Warsaw Pact allies, whose considerable help in re-equipping the Egyptian (and Syrian) armed forces since June 1967 has been acknowledged by President Nasser [see 14 2 69 p 159], issued a joint statement on the Middle East on 27th November 1969 This declared that, ' Our parties, peoples and states are firmly determined to do everything in their power to frustrate the plans of the aggressors in the Middle East Our socialist countries will continue to render all-round assistance to the Arab states ' The Soviet Union and other Warsaw Pact countries have, in accordance with this, continued to be the principal suppliers of arms to most (but not all) of the Arab League states, while condemning arms supplies by other countries to Israel, which is described in the 27th November statement as pursuing a policy of colonial plunder oppression and violence '

Guyana Becomes a Republic

On 23rd February Guyana became a republic within the Commonwealth. The British Prime Minister, Mr Harold Wilson, sent the following message to the Prime Minister of Guyana, Mr Forbes Burnham.

> ' On behalf of the British Government I send to you and your colleagues our best wishes for the success and prosperity of the Republic of Guyana. I am confident that the close friendship between Guyana and Britain as fellow members of the Commonwealth will continue to flourish and grow in strength. '

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[1] According to press reports, the Israel Prime Minister, Mrs Meir, asked President Nixon for further supplies of *Phantom* jets during an official visit to the United States in September 1969.

[2] On 10th July 1969 President Pompidou said that a re-examination of the existing total embargo on arms supplies to Israel [imposed on 3rd January 1969—see 14 2 69 p 160] could only be conceived of in the context of a return to a selective embargo which would depend on circumstances.

The Commonwealth Secretary-General, Mr. Arnold Smith, also sent a message to Mr. Forbes Burnham, commenting that Guyana was the first independent member of the Commonwealth in the Caribbean area to take the important step of changing from a monarchical to a republican system, and expressing his pleasure at knowing that, with the full agreement of other Commonwealth members, Guyana will remain within the Commonwealth.

Guyana is the world's first 'co-operative' republic. Its Co-operative Department is being strengthened and organised to cope with the large number of co-operative societies which will be formed throughout the country, while the Guyana National Co-operative Bank has been established to help finance co-operative ventures. At a special session of the National Assembly on 23rd February the Prime Minister, Mr. Forbes Burnham, expounded the philosophy of the co-operative republic, which, he said, represented the first real attempt to improve the lot of the 'small man' of Guyana.

The election for President will take place on 17th March. Until then the former acting Governor-General, Sir Edward Luckhoo, will be acting President of the new republic.

Economic Assessment to 1972

ECONOMIC DEVELOPMENT COMMITTEE REPORTS

The National Economic Development Council has published the first three reports in a series dealing with the implications for individual industries and economic sectors of the projections contained in the Government's Green Paper, *The Task Ahead Economic Assessment to 1972*, published in February 1969 [see 28 3 69 pp. 295-305]. The reports, prepared by the Economic Development Committees after comprehensive consultation with the industries involved, are at present under consideration by the Government and will, it is hoped, assist companies to shape their investment, manpower, production and marketing strategies as well as being of more general interest

The reports so far published entitled *Economic Assessment to 1972 Industrial Report by the Chemicals Motor Manufacturing Mechanical Engineering EDC*, are summarised below Details of future reports will be recorded as they are published

Chemicals

The United Kingdom chemical industry, accounting for about 15 per cent of the trade balance in manufactured goods, is growing twice as fast as the manufacturing sector as a whole However, the report points out that since there is a close correlation in all advanced countries between the ratio of growth of the chemical industry and that of the gross domestic product (GDP), the UK chemical industry is expanding rather more slowly than in many other industrialised countries

The industry covers a very wide range of products, the fastest growing of which plastics, organic chemicals and pharmaceuticals now account for over half of net output. The technology of chemical plants, most of which are either capital or research intensive or both, is advancing rapidly and the optimum size of individual plants is often very large The report states that, as the larger plants generally produce standard products of a relatively low value, it is a great advantage for them to be located in an expanding domestic market. Hence the small size of the UK market, as compared with those of its principal competitors, is an important factor in the industry, individual firms are increasingly turning their attention on international markets, chiefly through the establishment of overseas subsidiaries, as a means of optimising their investment and production programmes.

The Task Ahead gave as its main objective the achievement of a trade surplus of £500 million a year by 1972, and allocated the major share of the improvement necessary to the mechanical engineering, motor vehicles and chemical industries. The latter, the Green Paper suggested, might increase its trade surplus by £100 million a year (at 1964 prices) to £280 million in 1972. The EDC's consideration of this target indicates that exports could grow slightly faster, and imports substantially faster than expected. Consequently, the report

estimates, on the assumption of a growth in GDP of 3·3 per cent a year to 1972, that the industry's contribution to the UK trade balance will increase, during this period, by some £40 million in terms of 1964 prices. While stating that the longer-term improvement of the trade balance depends on making investment in the industry more attractive, the report suggests a number of ways of improving the short- to medium-term position. These include an examination of the factors underlying export performance in competitive industries, paying particular attention to the rate of overseas investment; consideration by the Government of the possible reintroduction of export rebates, to provide the industry with benefits equivalent to those available in countries with a value added tax system; and the provision of detailed information to assist identification of opportunities for import substitution.

The EDC believes that, by 1972, capacity will be adequate to provide for expanding output, and that this should be achieved through increased productivity rather than a rise in the total labour force. The industry is currently conducting a major survey of its manpower needs to 1975, the results of which will give a comprehensive regional and occupational analysis of requirements in particular sectors. In recent years, the report notes, changes in the structure of the work force, notably the growing demand for skilled personnel at all levels, have been accompanied by a steady improvement of the industry's manpower utilisation facilitated by good industrial relations.

Turning to the level of capital expenditure, the report states that the industry accounts for some 15 per cent of all manufacturing investment, and that capacity up to 1972 has been largely determined by investment decisions already taken. The EDC forecasts that expenditure over the three years 1969–71 will be at least £780 million, considerably higher than between 1966 and 1968. Moreover, it is known that further new investment is planned, particularly in the petroleum chemical based sectors [see 13.2.70 p. 166]. However, as a base for chemical investment, the United Kingdom suffers from the disadvantages of relatively slow growth in GDP and of small market size. In the longer term, the report stresses the need for the Government to pursue policies which will accelerate the overall growth rate and increase the size of the domestic market. These objectives would be best achieved, the report feels, if the United Kingdom joined the European Economic Community. Other deterrents to investment identified in the report include the relatively slow construction times for new plants in the United Kingdom and the comparatively heavy electricity tariffs to high load factor consumers. The report concludes that action on these deterrents could lead to substantially increased investment by both UK and foreign companies.

Motor Manufacturing

With about one-tenth of the industrial production dependent on it directly or indirectly, the prosperity and efficiency of the motor industry is of the highest importance to the strength of the economy. As a large net exporter, in a world market expected to expand from about 19 million new registrations in 1968 to nearly 26 million in 1972, the industry is vital to the balance of payments and has shown, particularly since devaluation, its ability to seize export opportunities.

The Green Paper postulated that by 1972 the industry might contribute £320 million, at 1967 prices, to the balance of payments (£360 million in exports, less £40 million in imports). The EDC feels, however, that on the assumption, agreed after discussions with government officials, of a 3·5 per cent increase in consumer expenditure from 1971, forecasts of export performance will come up to expectation, but imports are likely to grow by £60 million more than anticipated in the Green Paper.

The report states, therefore, that exports must form the basis of an improvement in the industry's trade balance. For this to be realised, additional produc-

tive capacity will need to be created, and existing facilities modernised. Present plans of manufacturers correspond broadly with the forecast of increased consumers' expenditure, but any expansion above this level (such as is expected in overseas markets) will not be met unless manufacturers can foresee a competitive return on new investment and an acceptable return on total investment. The report says that in view of the greater profitability of the home market such a return will only be achieved with exports increasing against the background of steadily growing home demand. Recent fluctuations in demand, due primarily to changes in purchase tax regulations and hire purchase terms, as well as to increased monetary stringency, have created uncertainty for companies wishing to plan investment and have led to a rate of return which is unacceptable in the long term.

The EDC concludes that the motor industry should be encouraged by government policies to increase its already substantial balance of payments contribution. The best possible export performance by a competitive and efficient industry will be achieved, it feels, only through an understanding between the Government and the manufacturers. In such an understanding, the industry would be assured of a steadily expanding home base, thus enabling it to invest in improved and additional capacity, at the same time, the industry should maintain its determined assault on overseas markets. There are, the report notes, two important prerequisites for an understanding: firstly, home demand must achieve its predicted growth during 1970, and secondly (although the report does not deal specifically with industrial relations), a better climate is needed in this field to ensure continuity of production and to reap the benefits of technical advance.

Mechanical Engineering

The mechanical engineering industries, manufacturing predominantly investment goods, account for some 12 per cent of the net output of all manufacturing industry, just over 5 per cent (1.2 million employees) of the total working population, and 16 per cent (by value in 1968) of all the exports. They contributed a surplus on the balance of trade of £457 million in 1968, but since 1955 their share of world trade has declined from 21 per cent to 13 per cent.

The report forecasts that between 1967 and 1972, the industry's exports will grow at an average rate of 7.5 per cent a year and imports by 7 per cent a year. The growth of imports, which now form about one-fifth of the market, is in line with experience in other industrialised countries, and reflects increased specialisation and the effects of tariff reductions. The export and import forecasts imply a substantial improvement on past trends, mainly as a result of devaluation, and a surplus on the balance of trade of £600 million by 1972 (broadly in line with the £650 million quoted in the Green Paper).

Allowing for expected improvements in productivity of about 3 per cent a year, the report feels that there should be sufficient manpower available for a 4 per cent growth in output in each year to 1972, although shortages of skilled men are endemic in the mechanical engineering industries and a higher rate of growth could mean facing increasing labour shortages. There could be capacity constraints in some sectors by 1972, particularly if there were a marked peak in demand before then, or if output grew more rapidly than at present envisaged.

The EDC's forecasts are based on the maintenance of a level of investment in mechanical engineering which is substantially below that of the United Kingdom's major competitors. The report warns that a continuation of this difference would erode the competitiveness of the UK industry, and recommends that the promotion of higher investment should be a first priority of government policy. This can best be brought about, the report feels, through confidence in the future level and profitability of business, rather than through investment

incentives, although it recommends that a thorough study of the effectiveness of incentives should be undertaken.

To achieve a worldwide marketing strategy, backed by a high level of investment, would require product specialisation of company structure in many sectors of the industry. Apart from the resulting reduction in unit costs, the report says that such changes could lead to lower stocks and work in progress, as well as the savings in marketing and administrative costs. Such further changes, the report states, ' are in our view essential to a lasting improvement in the competitiveness of many sectors of the industry in world markets '.

Also essential, the report concludes, is the adequate supply and training of engineers and other highly qualified staff. Companies, government departments and the education authorities should all play a part in achieving this.

Health and Safety of Employees

NEW LEGISLATION

The Employed Persons (Health and Safety) Bill was given an unopposed second reading in the House of Commons on 2nd March 1970 Opposition spokesmen were critical of the part of the Bill dealing with joint consultation on safety and health and announced their intention to seek considerable amendments in committee, they were not, however, prepared to divide the House

Background to the Bill

In December 1967 the Department of Employment and Productivity (DEP) circulated to a large number of organisations proposals for a comprehensive revision of safety, health and welfare legislation. Good progress was made with extensive consultations but the Secretary of State for Employment and Productivity, Mrs. Castle, explained in a written reply on 24th July 1969 that the proposals were so far-reaching and needed such careful examination that there would be an advantage in further study by all the interests involved In the meantime she proposed to introduce a short Bill to provide for (1) joint consultation on safety in industry, and (2) the establishment of a full-time employment medical advisory service within the DEP to replace the Appointed Factory Doctor Service.

Main Provisions

Moving the second reading, Mrs Castle explained that, though the Bill dealt with only two aspects of a complex problem, the steps it proposed were important in themselves and established vital new principles

The first part of the Bill sought authority for the establishment of an Employment Medical Advisory Service to replace the Appointed Factory Doctor Service which had been first established in 1844. A sub-committee of the House of Commons which had been set up in 1964 to review the relevance and efficacy in modern times of this very old-established service reported in 1966 that the service relied on a system of routine statutory medical examinations, often themselves of doubtful value and, particularly in the case of young persons, largely unnecessary, and that most of the 1,500 Appointed Factory Doctors spent only a small proportion of their time on these duties and could acquire only a limited expertise. It accordingly recommended that the wholesale routine

medical examinations of young people should be abandoned in favour of a selective system concentrating on the relatively small number who really needed medical advice; and that the medical resources released in this way should be re-deployed to bring about a more compact, integrated and expert medical service with wider duties over the whole field of occupational health.

The Bill accordingly now proposed that there should be established, in place of the Appointed Factory Doctor Service, an Employment Medical Advisory Service. Its responsibilities would include the work done by Medical Inspectors of factories and Appointed Factory Doctors together with that carried out in Government Training Centres and Industrial Rehabilitation Units. It would also be concerned with any medical problems which arose in connection with employment and, as an expert service, would be available to give advice and help to anyone needing it. It would be a medical service for all branches of the DEP, headed by a Chief Medical Adviser, and would be separate from, and independent of, the factory inspectorate.

The rest of the first part of the Bill was concerned with consequent amendments to the Factories Act. The effect of Clause 3 was that where an Employment Medical Adviser believed that a person's work was affecting his health, he might serve a notice on that person's employer requiring him to permit the adviser to conduct a medical examination. Employment Medical Advisers, unlike Appointed Factory Doctors, would not have power to suspend persons from employment in a process which might endanger their health, but if they advised the employer and employee concerned in writing that a particular process was likely to have further adverse effects on that employee's health, the employer would then be guilty of an offence under the Factories Act if he continued to employ that person.

Under Clause 5 the School Health Service would refer school-leavers not unconditionally fit for employment to the DEP's Careers Officer and Employment Medical Adviser, and industrial employers, hiring young persons, would have to report their engagement within seven days to the Careers Office.

Mrs Castle concluded her explanation of the new Employment Medical Advisory Service by stressing that it would supplement and not supersede the health services which many employers already provided privately for their own employees. She proposed to set up a council to advise on the future lines of development of the new service and hoped that all those organisations concerned with the future of occupational medicine would be represented on it.

Consultation on Safety and Health

Mrs Castle pointed out that, while there had recently been considerable progress in many parts of industry in establishing arrangements for joint consultation on safety and health, a recent survey by the factory inspectorate showed that even now only 47 per cent of all factories employing more than 50 persons had any form of joint committee concerning itself with safety; and that, even among the larger firms, one in five of factories with more than 500 employees had no such arrangements. In these circumstances she thought that there was a case for statutory backing where voluntary arrangements had not been negotiated. She did not believe that this would undermine the voluntary effort which had been made by industry to improve its joint consultative arrangements.

Hitherto legislation dealing with safety and health had consisted of a series of standards and requirements placing duties on occupiers or employers to provide certain minimal conditions. These standards were enforced by the factory and other inspectorates. The present Bill, which supplemented these proposals, was based on a different principle. It depended for its effectiveness upon the initiative of the trade unions and on the activities of the employees' safety representatives, who would have certain rights of inspection.

The Bill provided that in factories employing ten or more persons safety representatives might be appointed by the trade union or trade unions recognised by the occupier of the factory for the purposes of negotiating terms and conditions of employment in that factory. In factories employing more than 100 persons, the occupier must comply with a request from the safety representatives to establish a joint committee to keep under review circumstances which affected or might affect the safety in health of employed persons.

The functions of safety representatives were defined in the Bill as to promote co-operation between all those employed in the factory in achieving and maintaining safe and healthy working conditions; and to carry out inspections in the interests of the safety and health of those on whose behalf they were appointed. Such inspections would include both regular routine inspections and inspections of the scene of notifiable accidents (accidents which disable an employed person for more than 3 days) or accidents which were expected to be notifiable. Qualifications for a safety representative were: to be at least 23 years old, and to have worked in industry for not less than five years and, so far as practicable, in the present factory for at least two years

Town and Country Planning

IMPROVED PLANNING COMPENSATION

Proposals designed to reduce the hardship suffered by some individuals, the value of whose property is affected by planning decisions, were put forward by Mr. Denis Howell, Minister of State, Ministry of Housing and Local Government, in the House of Commons on 27th February (*Hansard*, col. 1628).

Speaking in a debate on a private member's Bill the Planning Blight and Worsenment Bill, addressed to the same problem but not given a second reading Mr Howell acknowledged the need for a change in the present arrangements by which owner-occupiers are compensated for 'planning blight'.[1] He proposed that those affected by blight should be allowed to issue blight notices at an earlier stage in the planning process. 'In our view the owner-occupiers concerned should not have to wait, as they must at present, till the proposal causing the blight has reached a fairly advanced stage—for example, when it has been approved by the government department concerned. There should be entitlement to serve a blight notice as soon as the public authority has definitely decided, in the light of any necessary local soundings, what it wants to do and has submitted a proposal to the appropriate Minister for approval if necessary We intend to take a very early opportunity to issue a circular urging local authorities to use their existing discretionary powers to buy in all cases of this kind I can state that the government departments will do likewise'

This was a temporary measure to alleviate hardship, Mr. Howell stressed, pending forthcoming legislation which would be based on the results of a current departmental inquiry into the problem of compensation for those affected by planning decisions. The important thing, in his view, was to accept the need to find a remedy that was practical to operate and was fair to the citizen and to the community

COASTAL PRESERVATION

A national strategy to protect the coastline of England and Wales against damage caused by industrial and recreational activities is urged in a report recently published by the Countryside Commission.[2] The report, prepared by the Nature Conservancy, calls for more research into ecological principles controlling the coastal environment, a drive to educate the public about the

[1] 'Planning blight' is a term first used in the 1959 Town and Country Planning Act which refers to the reduction in market value of land scheduled for public development. Under the 1959 act owner-occupiers and the owners of small businesses have the right to serve blight notices on public authorities requiring them to buy their property at market value, where they can prove that the value of the property has fallen as the result of approved development proposals

[2] *Nature Conservation at the Coast*, special study report, volume 2, prepared by the Nature Conservancy and published by the Countryside Commission, HMSO, 32s 6d

effects of human activities on coastal ecology, and the adoption of a comprehensive view of the coastline as a unique natural resource meriting special consideration.

Development Control

The report recommends that planning and development control of the coast should relate to the coastal hinterland and not just to the narrow coastal strip, and that a policy of concentration and zoning be adopted to safeguard the special qualities of certain stretches of coastline. No development or exploitation of the coast which could be more suitably accommodated inland should be permitted, in the Conservancy's view, unless its long-term importance outweighs the loss of the resource which it displaces

Economic Value

The report stresses the unique qualities of the coastline as a place for scientific study and research, and their possible economic implications 'The forerunners of many of our most important cultivated plants have originated on the coasts—for example, the cabbage tribe, derived from sea cabbage, and sugar beet, mangold wurzel and beetroot originating from sea beet There is every reason to believe that they will continue to supply us with raw materials from which new plants of economic value can be selected and cultivated Current interest in the exploration of the under water resources of our shallow seas, and the need for ever-increasing food production, will inevitably lead to similar development of seaweed resources, either for direct use or as a basis for marine food culture. ' The report also mentions the possible lessons to be derived from the study of cliff plants for the stabilisation of mining and industrial waste tips

Educational Use

The coastline is being used increasingly for educational purposes, the report notes. Some 30 local education authorities have established residential centres on the coast for schoolchildren to study coastal phenomena While welcoming this, the report warns that the increased educational use of the coastline, like the growing pressures of industrial and recreational usage, must be controlled, if coastal formations, wild-life and vegetation are to be protected

Regional Approach

Coastal planning must be carried out in regional perspective, it states, if the primary geological and physiographic aspects of the coast and the associated biological habitants are not to be seriously marred Attempts to prevent coastal erosion in one place may have the effect of preventing deposition elsewhere, thus altering coastal formations.

Classification

The report includes a classification of sites around the coast of England and Wales into four main categories: areas of outstanding scientific importance; areas of special scientific importance; areas of conservation value, and degraded and intensively developed areas of negligible scientific importance. Some 2,200 miles out of a total coastline of 3,800 miles are included in the first two categories. The stretches of coastline thus classified are more than twice as great in total length as those currently enjoying some legal protection.

DOCUMENTATION

Government and Administration

Cymru Wales 1969	Cmnd 4293 HMSO 17s 6d
Ten-minute Rule Motions First report of the Select Committee on Procedure, session 1969-70	HMSO, 2s
Second Report of the Parliamentary Commissioner for Administration, Session 1969-70 (see p 245)	HMSO, 15s
Second Report of the Select Committee on the Parliamentary Commissioner Session 1969-70 (see p 245)	HMSO, 4s
Detention Centres Report of the Advisory Council on the Penal System	HMSO, 6s
Treasure Trove Panel for Scotland The Government has set up a panel of three to advise the Chancellor of the Exchequer about the disposal of treasure trove in Scotland and about the payments of rewards to finders	Press release Scottish Education Department 26 2 70

External Affairs and Defence

Concorde Airliner Test Routes The Minister of Technology, Mr Wedgwood Benn, said that the Government had authorised a west coast route Flying was expected to start in spring and any claims for damage should be sent to the Concorde Division of his department The question of supersonic commercial flights overland was being kept under review and the President of the Board of Trade would announce a decision after further information and research on the problem	*Hansard*, 7 2 70 written answers col 212
Fiji Constitutional Conference A constitutional conference with a view to finalising arrangements for the independence of Fiji will be held in London on 20th April 1970 The two main political parties in Fiji jointly told the British Government in January that they were agreed that Fiji should proceed to Dominion status, with the Queen as Head of State	*Hansard* [HL], 10 2.70, cols 814-16, and *Hansard*, 2 3.70 written answers col 6
China Number of staff in the office of the British Charge d'Affaires in the People's Republic of China, 1965-71	*Hansard*, 18 2 70 written answers col. 147
East Africa. Commonwealth Immigrants Details of applications for and issues of entry vouchers for British passport holders in Kenya, Uganda and elsewhere since the passing of the Commonwealth Immigrants Act 1968.	*Hansard*, 19 2 70 written answers cols. 178-9

Lesotho: Political Situation and British Relations. Statement by the Minister of State for Foreign and Commonwealth Affairs on the British attitude to the present administration in Lesotho and the detention of the King and members of the Opposition.
Hansard [HL], 18.2.70 cols. 1148-51

The Minister of Overseas Development spoke on the future of British aid for Lesotho.
Hansard, 19.2.70 cols. 578-9

Statement by the Secretary of State for Foreign and Commonwealth Affairs on British relations with Lesotho and the question of recognition.
Hansard, 2.3.70 cols 10-11

British Honduras. Fact Sheet on the Commonwealth
COI, R(DFS) 5604/70

Economic and Scientific Affairs

Commonwealth Development Corporation British Aid The Minister of Overseas Development stated that the British Government had given approval for the corporation to undertake activities in Ethiopia and the Federal Republic of Cameroon, and as consultant to the World Bank to carry out feasibility studies in developing countries, including some non-Commonwealth countries
Hansard, 12.2.70 written answers col 406

British Volunteer Programme British voluntary societies hope to have at least 1,500 graduate and qualified volunteers and 325 cadet and school-leaver volunteers overseas at the end of 1970 The provisional figures for 1969-70 are 1,490 and 337 respectively, and for 1968-69 they were 1,414 and 373 The proportion of volunteers who served for two years rather than one was 37 per cent in 1969 compared with 20 per cent in 1967
Hansard, 19.2.70 cols 574-5

Aid to Developing Countries. Debate in House of Lords
Hansard [HL], 4.3.70, cols 332-472

Turkey: British Aid. Exchange of Notes concerning an interest free development loan by Britain to Turkey [see 30.1.70 p 121]
Cmnd 4271 HMSO, 1s 9d

Colombo Plan. Seventeenth annual report of the Consultative Committee
Cmnd 4273 HMSO, 38s

Jordan. Air Services Agreement Agreement between Britain and Jordan for air services between and beyond their respective territories. Entered into force 1st October 1969.
Cmnd 4279 HMSO, 2s

Trinidad and Tobago. Double Taxation Agreement Protocol amending the agreement of 1966 between Britain and Trinidad and Tobago for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.
Cmnd 4285 HMSO, 1s 3d

Molecular Biology. Agreement establishing the European Molecular Biology Conference.
Cmnd 4299 HMSO, 1s 9d

Hours and Overtime in the London Clearing Banks Report of the National Board for Prices and Incomes relating to a pay award for overtime worked by employees in the London clearing banks.
Cmnd. 4301 HMSO, 2s 3d

Hungary. A trade arrangement making detailed provisions for Anglo-Hungarian trade in 1970 was signed on 12th February, concluded under the Anglo-Hungarian Trade Arrangement signed in London on 28th February 1968 [see 28.2.69 p. 213].	*Board of Trade Journal* 25.2.70
Some Recent Advances and Developments in Britain No 12	COI, R.5656/12

Social and Cultural Affairs

School Building Programmes (E & W) Miss Alice Bacon, Minister of State for Education and Science, announced that the value of school building to be commenced in 1970-71 and 1971-72 was to be raised by 10 per cent to £178 million and £193 million respectively	*Hansard*, 2.3.70 col. 25
Nursing Services. The appointment of an independent committee 'to review the role of the nurse and the midwife in the hospital and the community, and the education and training required for that role, so that the best use is made of available manpower to meet present needs and the needs of an integrated health service' was announced by the Secretary of State for Social Services, Mr Crossman The chairman of the committee is to be Professor Asa Briggs, Vice-Chancellor of the University of Sussex, and the inquiry will extend to England Wales and Scotland Mr Crossman also announced the launching of a nursing recruitment campaign to cost £250,000	*Hansard*, 2 3 70 written answers cols 36-43
Betterment Levy The total amount of betterment levy collected to date is £25 8 million, of which £17 3 million was collected in the current financial year to 4th February 1970	*Hansard*, 16.2.70 written answers cols 50-1
British Pharmacopoeia Commission The Secretary of State for Social Services announced the appointment of the new British Pharmacopoeia Commission to be responsible for the *British Pharmacopoeia* which was formerly prepared by the General Medical Council [see 5 12 69 p 1088] The *British Pharmacopoeia* lays down standards and tests of quality of medicinal products and makes recommendations on dosage	*Hansard*, 23 2.70 written answers cols 241-2
Cyprus Social Insurance Agreement Agreement between Britain and Cyprus Entered into force 6th October 1969	Cmnd 4243 HMSO, 2s
New Zealand. Social Security Agreement. A new reciprocal agreement between New Zealand and Britain replacing the agreement made in 1955 and covering family allowances, retirement and widow's pensions and unemployment and sickness benefits. Entered into force 1st January 1970	Cmnd. 4281 HMSO, 2s
Adult Dental Health in England and Wales in 1968 Government Social Survey	HMSO, 45s
Population Tables. Registrar-General's statistical review of England and Wales for 1968 Part 2	HMSO, 30s
Council House Communities A Policy for Progress Report of the sub-committee on amenity and social character of local authority housing schemes. Scottish Development Department.	HMSO, 10s

Historic Building Grants (Scotland). Sixteenth annual report of the Historic Buildings Council for Scotland. The total value of government grants offered on the recommendation of the council is now over £1 million. More than 200 of Scotland's historically and architecturally important buildings have received assistance in this way	HMSO, 3s
Nature Conservation at the Coast. Special study report, vol 2. Prepared by the Nature Conservancy and published by the Countryside Commission (see p 277-8)	HMSO, 32s 6d
1870-1970. Centenary issue of *Trends in Education* Department of Education and Science	HMSO, 3s 6d
Commercial Studies in Schools Education Pamphlet No 56. Department of Education and Science	HMSO 9s
Education Centenary 1870-1970 Preliminary calendar of events, January 1970 Department of Education and Science.	DES free
Local Radio and Education Reports on Education, No 59, December 1969. Department of Education and Science	DES, free
Modern Language Teaching in Schools Reports on Education. No 60, January 1970 Department of Education and Science	DES free
Five Additional Areas for Gaming The Gaming Board for Great Britain has recommended the addition of five areas to the list of scheduled gaming areas. The areas are Luton Scarborough, Southport and Ryde and Sandown Shanklin in the Isle of Wight The total of scheduled gaming areas is now 38.	Press release Home Office 25.2.70
Historic Buildings Lord Kennet, Joint Parliamentary Secretary to the Minister of Housing and Local Government, announced that under the provisions of the Town and Country Planning Act 1968 the annual loss of historic buildings has been reduced by 35 per cent, to 266 in 1969	Press release MHLG 20.2.70
Journal of Educational Technology First issue (30.1.70) of the official journal of the National Council for Education and Technology	Councils and Education Press 10 Queen Anne Street, London WIM 9LD 60s a year
Universities Central Council on Admissions (UCCA). Seventh report, 1968-69	UCCA, PO Box 28, Cheltenham, Glos GL 50 1HY, 8s
Streaming in the Primary Schools, by Mrs Joan Barker Lunn for the National Foundation for Education Research in England and Wales (NFER).	NFER, The Mere, Upton Park, Slough, Bucks, 60s
Youth Exchanges: The Way Ahead. Report of a survey sponsored by the European Educational and Research Trust and carried out for Political and Economic Planning The report suggests that the Government should establish a National Office for Youth Exchanges to act as a central funding office.	Political and Economic Planning, 12 Upper Belgrave Street, London SW1, 20s

Britain 1970

An Official Handbook

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CHAPTERS

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How to Calculate Immigration Statistics, by Dipak Nandy.	Runnymede Trust 2 Arundel Street, London WC2, 2s
In the Service of the Old, the welfare of psycho-geriatric patients, by A. Whitehead.	Penguin, 5s

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Contents

Corrections

Volume 4, No. 4, dated 13.2.70, p. 159. The third footnote should read: ' United Nations Educational, Scientific and Cultural Organisation '.

Volume 4, No. 6, dated 13.3.70, p. 256. Delete the penultimate line and substitute ' Commonwealth leaders themselves had accepted that what would be in Britain's '.

Law and Order

DEVELOPMENTS IN THE POLICE SERVICE

Developments in the British police service, which 'now leads the world in the application of scientific techniques' to its problems, were outlined in a speech by Lord Beswick, speaking for the Government in the House of Lords (*Hansard* (H.L.), cols. 1172-81) on 18th February. In reply to Lord Brooke of Cumnore (Home Secretary in the Conservative administration from 1962-64), who had expressed concern about the increase in crime as reported by the Commissioner of Police for the Metropolis,[1] Lord Beswick agreed that there had been serious increases recent years, 'even after allowance is made for the fact that the community now regards casual violence more seriously than it did, with the result that offences are much more likely to be reported and to result in a charge'. At the same time, he pointed out, offences of violence against the person comprised less than 3 per cent of the total crimes committed, and a large proportion of violent crimes were not committed against strangers, but were the result of domestic disputes or neighbourhood quarrels.

In describing what was being done to help the police to deal with this problem Lord Beswick made the following points.

Police Equipment

Equipment was essential for maximum effectiveness. Spending on equipment had increased from about £5½ million in 1963 to some £12 million in 1970. During the period the number of police cars on the road had been doubled, and twice as many were now equipped with radio as on the earlier date. In addition the police now had about 23,000 personal radio sets operational—about one set for each nine policemen. 'With personal radios and panda cars', said Lord Beswick, 'a policeman can reach trouble much more quickly than before.'

Manpower

The rate of growth in police manpower had not been 'as much as we should have liked'. There had, nevertheless, been an increase in the number of recruits. Further, 'more now than ever', individual members of a force had a chance to develop their potential ability. Some 60 police officers were at present at universities, reading for degrees. There were already 164 graduates serving in the police forces of England and Wales.

Much had been done in recruiting civilians and traffic wardens 'to help out the available police strength'. During the past five years their numbers had increased by some 13,400.

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[1] *Report of the Commissioner of Police for the Metropolis for 1968*, Cmnd. 4060, HMSO, July 1969, 9s 6d.

Police Planning Organisation

As a result of the work of the Police Research and Development Branch of the Home Office, advanced techniques had been, and were being brought to the aid of the police service. Innovations included the unit beat system [see 3.3.67 p. 218] which 'is now giving a better service to the public, measured in terms of time, and is bringing the police into closer touch with the public than has been possible for very many years in the past.' As an aid to more effective allocation of resources, a Police Planning Organisation had been established to bring together the work done by the Police Research and Development Branch, mainly in the field of operational research and equipment, with other work which had been more recently developed to provide police forces with a management information system based upon programme budgeting. The organisation was being administered by a senior civil servant acting with the advice of the Inspector of Constabulary who had pioneered the work of the Research and Development Branch. It comprised a group of scientific officers, with a senior scientist in charge; a group experienced in accounting and managerial techniques, under the direction of an economist, and a group of senior police officers, which was to be under the control of an officer of the rank of assistant chief constable. The particular responsibility of the police group would be to interpret the needs of the service to the organisation and the work of the organisation to the service, but its members would be closely teamed with the scientific and other staff in the development of particular projects, so that police experience would continue to permeate the whole work of the organisation. Close contacts with the universities, industrial research groups, and research units in other government departments were being maintained.

Police National Computer Project

At present police records on crime and criminals were dealt with manually at the Central Criminal Record Office at New Scotland Yard and at regional criminal record offices. The task of maintaining these records and handling inquiries—which exceeded one million each year—had created very considerable problems. The Government had therefore decided to put these records on a central computer complex and to provide a special police communications network throughout England, Wales and Scotland, which would enable forces to obtain very rapid response to their inquiries.

During the next ten years some £16 million or more was to be spent on this computer installation, which would be the biggest police project of its kind in the world.

INCREASES IN POLICE PAY

By agreement reached on 25th February in the Police Council[1] and approved by the Home Secretary and Secretary of State for Scotland, police officers up to and including the rank of chief inspector received an 8½ per cent interim increase of pay, dated from 1st January 1970. The agreement, which affects the pay of about 100,000 policemen and policewomen in Great Britain, means that a constable in his first year now receives £900 instead of £830, and that the normal maximum for a constable has risen from £1,235 to £1,340. A chief inspector's salary range has risen from £1,825-£1,945 to about £1,980-£2,100. The annual cost of implementing the agreement will total £7.9 million.

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[1] The Police Council for Great Britain, which is a statutory body with a staff side representing all ranks of the police and an official side representing the local authority associations and the two home departments.

EXTERNAL AFFAIRS
AND DEFENCE

British Defence Policy

STATEMENT ON DEFENCE ESTIMATES

The *Statement on Defence Estimates 1970* was published on 19th February and debated in the House of Commons on 4th and 5th March. The introductory paragraphs observe that Britain enters the 1970s with an overall military capacity unsurpassed by other Western European Powers. The decision to withdraw British forces from east of Suez and to concentrate them in Europe has meant that despite reduction in defence expenditure imposed by Britain's economic needs, the contribution to the defence of Europe has been increased. The next decade is likely to see changes in the international situation which strengthen the arguments for closer European defence co-operation: Britain's contribution will reinforce the growing political and economic unity of Western Europe.

The Defence Budget

The Defence Budget estimates for 1970-71 total £2,280 million.[1] At 1969 Survey prices—the price basis used in the White Paper on *Public Expenditure 1968-69 to 1973-74* (Cmnd. 4234)—this represents a total of £2,143 million. In real terms, therefore, the estimates are £68 million below the figure of £2,211 million given in Cmnd. 4234. At 1969-70 estimates prices this represents a total of £2,138 million, that is, £128 million below the 1969-70 Defence Budget of £2,266 million. The estimates will represent about 5¼ per cent of the gross national product, compared with about 7 per cent in the estimates for the years up to 1965.

Northern Ireland

The statement gives details of the forces stationed in Northern Ireland, in aid of the civil power to halt communal disturbances. Praise is given to the tactful and patient manner in which the troops have carried out a difficult task. Seven major units are now employed there in the infantry role, with elements of an armoured reconnaissance regiment. It may be necessary to make some temporary redeployment of units from the British Army of the Rhine; such units would remain available to the Supreme Allied Commander, Europe, and could quickly return to Europe in an emergency.

Outside Europe

The withdrawal of British forces from their bases in Malaya and Singapore is proceeding as planned and will be completed by the end of 1971. By April

[1] The final figure will be higher, owing to the reconstruction of service pay codes. On 25th February the Government announced that it had accepted the recommendations of the National Board for Prices and Incomes' third report on forces pay (Cmnd. 4291, HMSO, 10s 6d). The total cost to the Defence Votes will be £135.5 million.

1970 the total number of those working in or for the services in the area will be about 43,500, compared with 73,000 on 1st April 1968. The rundown of support facilities also proceeds steadily; some £13 million worth of land, facilities and associated equipment has been transferred, free of charge, to the Governments of Malaysia and Singapore during the current financial year.

A second successful five-Power conference on the defence of the Malaysian/Singapore region was held in Canberra in June [see 18.7.69 p. 612], against the background of the announcements by the Australian and New Zealand Governments last February [see 28.3.69 p. 293] that they would maintain operational forces of all three Services in the area after 1971 and the recognition by the Governments of Malaysia and Singapore that they regard the defence of the two countries as indivisible. These four Commonwealth countries have made substantial progress towards setting up effective regional defence arrangements for the future. The United Kingdom has given them all possible help in planning the transition to these new arrangements. Britain's substantial participation in a major exercise, *Bersatu Padu*, to be held later this year, will demonstrate the capacity rapidly to deploy forces to the Far East from the general capability based in Britain. British forces will continue to train in the Far East after 1971

The withdrawal of British forces from the Persian Gulf will begin during 1970, to be completed during 1971. After discussions between Britain and the new Government of Libya [see 16.1.70 p. 53], it has been agreed that the obligation of Britain to come to the help of Libya in the event of war, and the associated rights of Britain to defence facilities in Libya under the 1953 treaty, are no longer operative. The withdrawal of British forces from El Adem and Tobruk will be completed by 31st March 1970.

The statement describes the duties undertaken by the services outside the main NATO role; they include peacekeeping operations for the United Nations in Cyprus; the Beira patrol; assistance to the civil power at home and in the dependencies; exercises in many parts of the world, and assistance in non-military work following natural disasters, in development work and in exploration.

The Defence of Europe

It is pointed out that: 'The main function of British forces in the future will be to help in guaranteeing peace and security for Europe through the North Atlantic Alliance. Although there are no indications that the Warsaw Pact countries at this time contemplate armed aggression against members of NATO their military strength continues to increase.' There has been a continuous rise in the defence expenditure of the Soviet Union and of other members of the Warsaw Pact, which have 500,000 men in their navies, 3 million men in their armies and over 1 million men in their air and rocket forces. Thirty Russian Divisions and 1,900 tactical aircraft are stationed in the four countries (including Hungary) opposite the central region of Allied Command Europe; and during the past year the Soviet Union has made great efforts to improve the integration and military effectiveness of the Warsaw Pact. The Russian naval presence continues to expand, particularly on NATO's southern flank in the Mediterranean

NATO Strategy

'Against forces of this size the security of western Europe must rest fundamentally, as it has since the second world war, on the guarantee provided by the strategic nuclear forces of the United States.' The statement describes the recent development by the NATO countries of a strategy 'which would improve the prospects for rational control of military conflict in Europe while maintaining the credibility of the nuclear guarantee', in the circumstances of

both sides possessing increasing numbers of tactical nuclear weapons and strategic nuclear systems capable of surviving an enemy's first strike. 'Three main aspects had to be considered. First, the strategy had to be compatible with the resources which NATO countries could realistically be expected to devote to defence. Second, a balance had to be struck between the nuclear and conventional forces of the Alliance which could make the strategy credible. Third, the problems associated with the control of nuclear weapons and the place of such weapons in a new strategy had to be examined in detail.

'In December 1967 the Alliance adopted a new strategy [see 5.1.68 p. 11] designed to provide a wider and more flexible range of response appropriate to the nature of the threat It recognises that, while NATO must be ready to use nuclear weapons if necessary, this must not be the only response which the Alliance can make to any of the threats which it might have to face, and that steps therefore be taken to maximise the capability of NATO's forces in conventional conflicts.' The statement describes the discussions and planning within NATO on the nuclear aspects of the strategy, which have developed political guidelines for the initial tactical use of nuclear weapons in the defence of the NATO area [see 16.1.70 p. 56] and the refinement of procedures for consultation on the possible use of nuclear weapons. It continues: 'NATO strategy as it has now been revised offers the best available security for the Alliance. It depends critically on maintaining conventional forces in western Europe at a level which will give NATO an alternative to a nuclear response against anything but a major deliberate attack, and which, if an attack on this scale should occur, would allow time for negotiations to end the conflict and for consultations among the allies about the initial use of nuclear weapons if negotiations should fail. At present the level of these conventional forces is just sufficient for this purpose, though there is need for improvement in quality and equipment'

Britain's Contribution

The United Kingdom makes a major contribution to the force levels which NATO needs. Virtually all the Royal Navy is earmarked for assignment; the British Army of the Rhine and Royal Air Force Germany provide a powerful contribution in central Europe, and most of the combat units based in the United Kingdom (Army Strategic Command) are also formally committed to NATO. The Army Reserves have been reorganised to provide a more effective reinforcement for the regular units committed to NATO As part of the remedial measures to follow the Canadian reduction of its forces in Europe [see 21.11.69 p 1030] Six Infantry Brigade will return to the Federal Republic of Germany (see p 302) As part of the continuing effort to improve the conventional capability of British forces, a programme of defence measures has begun at British airfields in the Federal Republic. Britain's sea, land and air forces make a significant contribution to the flanks of NATO. The United Kingdom Mobile Force, consisting of elements of the Army Strategic Command and Royal Air Force Support Command, provides a capability for rapid reinforcement from Britain The Army and Royal Air Force contribute to the Allied Command Europe Mobile Force (ACE Mobile Force), which can be used on either flank In the Mediterranean, the naval amphibious force which forms part of Britain's increased presence is to be further increased during 1970.

The Search for Disarmament

'While the security of Europe will continue to depend on a military capability sufficient to deter the use of force as an instrument of policy, all means must be explored of bringing about a lasting peace which does not rest on the effort to maintain a balance of power in a continuing arms race.'

Britain looks forward to the 1970s 'as an era of negotiation between opposing alliances'. The statement mentions NATO's continuing study of mutual force reductions by the Alliance and the Warsaw Pact, work to which Britain has given strong support. 'The main problem to be resolved is how to achieve significant force reductions on both sides without prejudicing the degree of security which each enjoys at present. Adequate verification and control of these reductions would be essential. Related measures under study include advance notification of military movements and manoeuvres, exchange of observers and techniques for inspection for verification systems.'

Britain 'will continue to play a leading part in NATO's work on European security measures. Progress in negotiations already initiated, such as four-Power consultations on Berlin and the Federal German Government's proposals concerning its relations with Warsaw Pact countries, could make improvements possible over a wider field in Europe.' The statement also reaffirms the British Government's welcome for the beginning of talks between the United States and the Soviet Union on the limitation of strategic arms. 'Although the discussions are bilateral, they are of fundamental importance for western security as a whole, and in common with our European allies we shall continue to follow their progress with close attention.' The statement discusses Britain's role in international disarmament negotiations, in particular the British draft convention for the prohibition of biological methods of warfare [see 1.8.69 p 647] and the constructive part Britain has played in the advances made, in the Conference of the Committee on Disarmament, towards an agreement to prevent nuclear weapons being placed on the sea bed [see 19.12.69 p 1096]

A European Defence Identity

The statement then rehearses the arguments for a closer identity of views between the European members of NATO, which Britain has advocated 'The confidence of the European members in NATO rests on their faith in the commitment of the United States to the Alliance, which President Nixon has reaffirmed. An era of negotiation between NATO and the Warsaw Pact countries could cast up many issues of vital importance to European security, and the European members of NATO have come to realise that they can contribute far more effectively to these discussions if they can speak with a common voice Moreover, whether or not negotiations between East and West result in mutual force reductions, the European members must recognise that some redistribution of the common burden of European defence is likely to take place in the 1970s There is only one way in which the European allies can bear a fairer share without increasing their defence expenditure to an extent which none of them would regard as politically realistic in present circumstances this is by co-operating more closely with one another. The concentration of our own defence effort on Europe and the seas around us presents Britain with new opportunities to take the lead in this co-operation.' Following a British initiative, European Defence Ministers have recently held regular discussions to exchange views on Alliance policy, and on how closer co-operation could increase the effectiveness of their forces.

The statement goes on to discuss the procurement of defence equipment as an essential field for co-operation. 'All the countries of Europe capable of producing advanced weapons systems face development costs which are rising higher than is justified by their national requirements. Provided they can reach agreement on the requirement, the natural solution is for two or more nations to share the research and development costs of the project and to benefit from the economies from the longer combined production run. The use of common equipment also opens the way to greater economies in logistic support.' This type of consideration has lead to the co-operation between Britain, the Federal Republic of Germany and Italy on the multi-role combat aircraft [see 23.5.69

p. 463], and such co-operation will be increasingly important as the cost of modern weapons rises. Britain pursues this aim of greater European arms collaboration through its participation in the work of appropriate NATO agencies and in multilateral steering committees with European allies, while bilateral staff talks enable closer collaboration between European military staffs in developing and harmonising the tactical doctrines on which operational requirements are based.

This section of the statement concludes with a résumé of the broad benefits of increased co-operation. ' A closer European defence identity . . . will thus greatly strengthen the military security of Europe. It will enable Europe to speak more effectively in the dialogue between East and West. It will give impetus to the developing political unity of Western Europe; and it will help to maintain and extend Europe's capability in many fields of advanced technology. For all these reasons [it is hoped] that France will find it possible to play a fuller part in this fruitful process during the next decade.'

Defence Organisation

A section in the statement describes some of the changes in organisation made to meet the change in Britain's defence role. It describes the continuing reorganisation of, and reduction of expenditure on, support facilities, so that towards the end of the 1970s the cost of support units and facilities will be a lower proportion of the defence budget than the cost of combat units, a reverse of the present position. Reorganisation of the Ministry of Defence, begun with its unification in 1964, continues. ' Without weakening the management of the three services, an organisation has evolved which reflects the essential unity of defence policy and operations, provides for clear political direction, ensures closer and more effective co-ordination between the services and eliminates much duplication.' The headquarters organisation is at present under examination by a senior committee. It has been decided to rearrange the ministerial structure, so that the two functional Ministers of State for Administration and Equipment will be replaced by a single senior Minister of State who will be called the Minister for the Armed Forces. The three single-service Under-Secretaries of State will be replaced by one or more Parliamentary Secretaries with responsibilities covering all three services.

Manpower

The strength of the armed forces on 1st January 1970 was 376,300 compared with 425,100 in October 1964. In 1974 the strength will be in the order of 350,000. The rate of re-engagement is described as encouraging; but it is considered essential to maintain a steady infusion of new recruits. In 1968-69 the forces obtained just under 29,000 male other ranks, on the trend so far over the last 12 months, there is a prospect that recruitment in 1969-70 will rise to about 35,000, but this would still be well short of requirements.

Policy for the Seventies

' Our Armed Forces move into the 1970s more soundly balanced and with a greater assurance of stability than they have enjoyed for many years. But their environment will remain full of change and challenge. British external policy looks to a developing Europe as its central theme for the seventies and the forces will be deeply involved in the process. They will be concerned to maintain a formidable contribution to the prevention of war in Europe; to integrate this contribution more and more closely with that of our European allies, and to take a creative part in adjusting the North Atlantic Alliance to new circumstances in a changing world. These tasks will give them a positive

role of critical importance in the development of Europe. As a practical expression of the nation's commitment, they will carry a direct responsibility for building the confidence and understanding between neighbours and allies which must be the foundation for closer European unity in policy and action. This responsibility will increasingly engage the forces at every level and in every arm. The forces bring with them from the 1960s unmatched standards of skill and experience. It will be their purpose in the 1970s not only to preserve these standards but to apply them with increasing effect to the needs of an evolving Europe.'

Deployment

The numerical distribution of British forces on 1st January 1970 was broadly as follows.

United Kingdom	259,700
Continental Europe	60,200
Mediterranean and Near East	18,400
Middle and Far East	51,300
Elsewhere	7,000

Britain

The reorganisation of shore commands is continuing, the post of Commander-in-Chief, Naval Home Command, replaced that of Commander-in-Chief Portsmouth on 1st July 1969. The majority of the field force headquarters and units stationed in the United Kingdom is in Army Strategic Command This Command includes the land elements of the United Kingdom Mobile Force (of which No. 38 Group, Royal Air Force, provides the air element), the United Kingdom contribution to the land element of Allied Command Europe Mobile Force (Land) and 22 Special Air Service Regiment, all of which have roles in support of NATO. Other field force units and the training organisation are also stationed in the United Kingdom, together with units engaged on public duties and logistic tasks. The reserve forces of the Territorial and Army Volunteer Reserve (T & AVR) undergo training for their tasks of reinforcing Britain's regular forces committed to NATO and providing certain reinforcements for various NATO headquarters.

Strike Command handed over to the *Polaris* force responsibility for the United Kingdom contribution to the Western nuclear deterrent at the end of June 1969. The formation of Strike Command was completed in November when Coastal Command, as No 18 (Maritime) Group, was incorporated in the Command. The forces for which Strike Command is responsible include tactical strike and reconnaissance squadrons for the Supreme Allied Command, Europe (SACEUR), fighter squadrons for the air defence of the country, and long-range maritime reconnaissance squadrons, together with the air defence and strike squadrons which have so far been formed as part of the transfer to the Royal Air Force from the Royal Navy of fixed-wing maritime flying tasks. Air Support Command is responsible for both strategic and tactical transport forces, together with the force of *Phantoms* and *Harriers* in No 38 Group, which is designed for the close support of the Army in the field; the *Harriers* will be the British contribution to the Allied Command Europe Mobile Force (Air).

Europe

All major ships are earmarked for assignment to the appropriate NATO command in war to meet commitments in the Channel, Atlantic and Mediterranean. Submarines of the British *Polaris* force are on continuous deterrent patrol. Ground forces consist of the British Army of the Rhine (BAOR), organised as a corps of three divisions each of two brigades, plus corps troops including

FUNCTIONAL ANALYSIS OF MILITARY PERSONNEL 1970-71

Average strengths including locally enlisted personnel

Major Programme	Analysis	Total
Nuclear strategic forces	Polaris 3,200	3,200
European theatre ground forces	BAOR 54,700. Berlin 3,000 (includes units redeployed from Germany to UK, which remain under command of C-in-C, BAOR)	57,700
General purpose combat forces	NAVY Amphibious forces 6,300 aircraft carriers 4,300. submarines 2,400 cruisers 900: destroyers and frigates 16,200 mine countermeasures 1,000. other ships 3,400 aircraft 3,700 overseas naval bases, etc 3,100	41,300
	ARMY Home forces 37,300 Far East 21,600 Persian Gulf 5,000 Mediterranean 6,900 other areas 200	71,000
	AIR FORCE Air defence 3,[illegible]00 strike/reconnaissance 1,700 maritime 1,300 UK headquarters and stations 15,600 overseas headquarters and stations 9,400. UK general support 11,500 overseas general support 7,600	50,800
[illegible]	Strategic transport [illegible]000 medium-range tactical transport 4,500 short range transport 2,400 control and support 4,000	18,200
Reserve and Auxiliary Formations		2,000
Research and development		1,600
Training	Initial training 40,000 Service colleges 5,300 flying training 9,200 other training 25,200	79,700
Production, repair and associated facilities in UK	Naval dockyards 400 repair maintenance and storage 9,600 inspection 100	10,100
Other support functions	Whitehall organisation 3,100. local administration 19,500 other support services 20,500 family and personnel services in UK 7,000	50,100
		385,700

two artillery brigades and an armoured reconnaissance force. Six Infantry Brigade is to return to the Federal Republic of Germany (see p. 302). Royal Air Force Germany is a tactical air force including tactical strike, tactical reconnaissance and air defence aircraft, all assigned to NATO. Airfield defence capability is to be increased [see 16.1.70 p. 56].

Mediterranean and Near East

For most of the year an aircraft carrier, or a commando ship or assault ship with Royal Marines Commando Groups embarked, and Royal Fleet Auxiliary support ships will be in the Mediterranean. Two frigates are stationed in the Mediterranean and are earmarked for assignment to NATO: a guided-missile destroyer will be added this year. Britain provides a frigate for the NATO naval 'on call' force. There are small garrisons in Gibraltar, Malta, Libya (until 31st March 1970) and Cyprus. In addition the Army provides one infantry battalion, an air-portable reconnaissance squadron, and the logistic support for the United Nations Peacekeeping Force in Cyprus (UNFICYP). The Gibraltar garrison of one infantry battalion has been reinforced since September 1967 with extra infantry, and artillery and engineer support. Royal Air Force units in the area consist of strike, long-range maritime reconnaissance, photographic reconnaissance, fighter, and transport squadrons, a *Bloodhound* Mark ' surface-to-air missile squadron, and two Royal Air Force Regiment squadrons. Helicopters are available for search and rescue and to support the United Nations peacekeeping force.

Persian Gulf

A naval presence in the Gulf is maintained by frigates and mine counter-measures vessels operating from Bahrain. Land forces consist of infantry, supported by artillery, armoured cars, and engineers, stationed at Bahrain and Sharjah. The air forces in the Gulf, based at Bahrain and Sharjah, include ground attack and fighter reconnaissance aircraft, fixed and rotary wing tactical transport, and long-range maritime reconnaissance aircraft. Detachments from other theatres visit the Gulf regularly.

Far East

The Far East Fleet includes amphibious ships, destroyers, frigates, submarines, mine countermeasures vessels, and supporting ships, operating in the Indian and Pacific Ocean areas as required, and carrying out patrol duties in the Mozambique Channel. Ships of the Royal Australian Navy and Royal New Zealand Navy operate with the Far East Fleet. The 3rd Commando Brigade, Royal Marines, is stationed in Singapore. The mine countermeasures vessels are now based on Hong Kong and continue to support maritime police patrols.

The reduction of land forces has continued. Britain ceased to declare ground forces to the contingency plans of the South-East Asia Treaty Organisation on 31st March 1969, and there has been a steady rundown of the British element of 28th Commonwealth Brigade throughout the year: by 31st March 1970 all British units in the Commonwealth Brigade will have been withdrawn. Apart from this, the combat units in Malaysia, Singapore, and Brunei remained at much the same strength as in 1968, except that one Gurkha battalion moved from Malaysia to Hong Kong in May 1969 for amalgamation as part of the rundown of the Brigade of Gurkhas. The garrison in Hong Kong has remained at its normal strength throughout the year.

The Far East Air Force comprises units of the Royal Air Force, the Royal Australian Air Force, and the Royal New Zealand Air Force. The Royal Air Force contribution includes fighters and the associated ground environment radars, long-range maritime reconnaissance aircraft, support helicopters, and

a medium-range transport squadron, together with a squadron of the Royal Air Force Regiment. The rundown of the Royal Air Force in the theatre continues and the withdrawal is progressing as planned.

Caribbean and South Atlantic

A force of two frigates, normally equipped with helicopters and carrying a detachment of Royal Marines, operates in the Caribbean. HMS *Endurance*, the Navy's ice patrol ship, is deployed annually for the southern summer season to the Falkland Islands and the Antarctic. A small force of Royal Marines and a hovercraft unit are maintained in the Falkland Islands. A small Army garrison remains in British Honduras. Some Royal Engineers continue to be stationed in Anguilla, supported by an *Andover* aircraft

Operations and Exercises

The statement describes in detail the operations in which British forces have been engaged during 1969, including aid to the civil power in Northern Ireland [see 9.5.69 p. 412]; in Anguilla [see 11.4.69 p. 331]; peacekeeping in Cyprus [see 1.8.69 p. 652], and their normal operational duties in NATO and the United Kingdom. It describes also the variety of ways in which the services assist civil communities in overseas areas, in such activities as emergency relief and development work. The primary exercises in which British forces participated were in NATO, including nine maritime exercises, two ACE Mobile Force exercises, and two air defence exercises. In the Central Treaty Organisation they participated in a maritime exercise and an air defence exercise, and in the South-East Asia Treaty Organisation, a maritime exercise. During the year Army units have trained in at least 26 overseas areas, 12 major and 67 minor units of the Territorial and Army Volunteer Reserve also trained overseas.

Combat Forces

A further section of the statement describes in detail the equipment and costs (estimated for 1970-71) of Britain's combat forces subdivided as the Nuclear Strategic Force (£32 million), the European Theatre Ground Forces (£211 million), the Royal Navy General Purpose Forces (£295 million), Army General Purpose Forces (£143 million), Royal Air Force General Purpose Forces (£365 million) and Air Mobility Forces (£105 million).

Responsibility for Britain's contribution to the Western strategic deterrent was transferred from the Royal Air Force to the Royal Navy during 1969, and now rests with the *Polaris* submarine force - *Resolution*, *Repulse* and *Renown* are operational, and *Revenge* will join them during 1970. The deployment of the European Theatre Ground Forces (NATO commitment) is described on p. 296 Their re-equipment continues, seven armoured regiments are now equipped with the *Chieftain* main battle tank, and are being supplied with *Swingfire* anti-tank guided missiles Infantry mobility continues to improve; the artillery is now equipped with Field Artillery Computer Equipment (FACE). The aircraft carrier *Ark Royal* has completed her refit to carry *Phantom* aircraft; with HMS *Eagle* she will be in service during 1970, while HMS *Hermes* will be phased out from her present fixed-wing flying role during the year Progress continues on the three new classes of surface ship to be introduced during the 1970s (frigate, destroyer, and through-deck cruiser) The *Phantom*, *Buccaneer*, *Harrier* and *Nimrod* aircraft are gradually entering service in the Royal Air Force.

The final sections of the statement describe Reserve Forces (£27 million) and Home Defence (total public expenditure about £7 million); Research and Development (£222 million, see 3.1.70 p. 91); Training and Support arrangements (£838 million); and details of recruitment and re-engagement.

HOUSE OF COMMONS DEBATE

On 4th and 5th March the House of Commons debated the motion to approve the *Statement on the Defence Estimates 1969*, which was carried by 251 votes to 230. The Secretary of State for Defence, Mr. Denis Healey, opened the debate; Mr. Geoffrey Rippon and Mr. Edward Heath were the major speakers for the Opposition, whose motion deploring the 'continuing reduction of the effectiveness of our defence forces', was defeated by 289 votes to 231.

Defence Secretary's Opening Speech

Mr. Healey indicated that it was the changes in the international setting of Britain's defence policy which would be the major subject of his speech (*Hansard*, 4.3.70 cols. 418-44). 'This year's defence White Paper contains no big changes in defence policy. The decisions which [the British] Government took in January 1968 set a suitable pattern for the 1970s and we have since made smooth and steady progress towards reaching the objectives it established But the prospects on the international scene look somewhat different today from how they appeared two years ago. Evidence is accumulating that we are indeed entering on an era of negotiation, as President Nixon predicted. The talks between Russia and the United States on the limitation of strategic armaments have already begun, while NATO as a whole is trying to engage the Warsaw Powers in similar negotiations on mutual reductions of forces in Europe.'

Strategic Arms Limitation Talks

On the question of the strategic arms limitation talks [SALT] between the United States and the Soviet Union, Mr. Healey said that 'America and Russia between them account for some 70 per cent of the world's defence expenditure. I believe that every country in the world has a direct and powerful interest in the success of these talks between the super-Powers If they were to fail, it would be a sombre outlook for mankind, because to the risks presented by the new possibilities which weapons technology creates, we must add the fact that the economic costs of the new technological weapons options might produce changes in the pattern of military spending by the super-Powers which could dislocate the alliances to which they now belong

'Moreover, the worldwide discussion about the non-proliferation treaty has shown that all the smaller Powers cannot be expected to observe restraint themselves unless the super-Powers show equal restraint by limiting their arms race with one another. So humanity has an immense stake in the success of the SALT talks. No one who has studied the issues they involve can imagine that formal agreements on major problems will be easy to reach. But what we can reasonably hope is that America and Russia may in their discussions develop a degree of mutual understanding and confidence which leads them to renounce some of the more dangerous and expensive options even before written agreements are finally secured. We European Powers have an acute and urgent interest both in the success of the talks and in the nature of any agreements in which they result.

Mutual Force Reductions and European Security

For Europe, there was another field of negotiation of even more direct concern. 'Nearly two years ago at Reykjavik the North Atlantic Council invited the Soviet Union and its allies to join in talks about mutual reduction in forces balanced in scope and timing. So far there has been no response. The Communist governments have, it is true, made a proposal for what they call an "All-European Security Conference". But they do not yet seem prepared to

discuss at such a conference the real problems of European security. In fact, so far they have excluded discussion of mutual force reduction. Nevertheless I believe that a way must be found by which we can get real talks on European security going. . . . Something might be gained if the states concerned could exchange declarations against the uses of military force to secure political objectives outside their national frontiers, provided of course they cover such actions as the recent Soviet invasion of Czechoslovakia no less than the more familiar types of aggression. Surely, if none of the European countries really intends to use military aggression as an instrument of policy, there is obviously an overwhelming case for both sides seeking to maintain security in Europe with a lower level of forces and at lower cost.

'I do not deny that, like the talks on strategic arms limitation, negotiations about mutual forces reductions in Europe face some difficult problems, because of differences in the structure of the opposing forces, differences in their size, differences in their geographical situation, and even differences in their political role. That is why NATO is now working so hard to develop an approach to mutual arms reductions which will guarantee both sides at least as much security as they enjoy today. I hope that the Warsaw Powers will work no less hard to the same end, for we look forward to the Atlantic Council renewing its invitation to talks on mutual force reductions in even more pressing terms when it meets in Rome next May.'

The starting point for any such negotiations was to determine what were the relative military capabilities of the opposing sides. Mr. Healey said that there had been some disagreements on this question even inside the North Atlantic Alliance, but the work done during the last 12 months had greatly narrowed the area of these disagreements and had confirmed what he had suspected to be the case, 'that neither a crude account of Divisions on each side nor a crude comparison of total military manpower gave a useful approximation of real military capability. When geography and weaponry are taken into account the truth is seen to lie somewhere between these two extremes.'

NATO Strategy

No one in the Atlantic Alliance now doubted 'that the effective superiority of the Warsaw Powers in conventional military strength in Europe rules out a purely conventional defence of Western Europe against an all-out conventional attack by the Warsaw Powers. There is nothing new about this situation; it has existed ever since NATO was set up in 1949, because NATO strategy has always been founded on the nuclear deterrent against a major Soviet attack. Western Europe has known total peace for two decades although the Middle East, Asia and Africa have known many wars.

'There has been a significant major change in NATO strategy. Instead of the immediate and automatic use of nuclear weapons in case of a major attack, NATO has shifted to a more flexible strategy which maximises the conventional capability to give governments as much time as possible to decide whether the use of nuclear weapons is justified and if so how to use them.

'But it remains as true today that the only final answer to a deliberate major attack would be nuclear retaliation by the strategic forces. However, under the new strategy it would be possible to delay this ultimate response so that at successive stages, the enemy could be given time and opportunity to cease his aggression, rather than to provoke escalation to the use of more destructive weapons on a larger scale. This is what is new in NATO strategy. I would not for a moment pretend that the strategy we have developed is a non-risk one. Unfortunately, with the existence of nuclear weapons in the world there is no way of having a no-risk strategy without mutual arms control under mutual inspection. However, I believe that this constitutes a real improvement; and this is the unanimous view of the Atlantic Alliance. NATO has always

depended on nuclear deterrents in the event of a major attack. Because of these new changes in NATO strategy we are less dependent on a nuclear response now than we were in the past. If NATO has to start using nuclear weapons because there has been a major Soviet invasion, there is now a much greater chance of stopping the invasion at that point, without automatic escalation to strategic nuclear war, than there was in the past. There is no way of getting away from this strategy without an increase in military expenditure and the reintroduction of conscription in Britain.

'None of us likes this dependence on nuclear strategy, and I do not claim that the new strategy guarantees security for Western Europe into the indefinite future. Nothing but a satisfactory system of arms control under mutual inspection will do that, but the new strategy does make it easier to avoid the use of nuclear weapons so long as there is any alternative whatever to that course, and consequently, I believe, is both more morally acceptable and more credible than the old one.

'On the other hand, if the forces now available to NATO were significantly reduced to make a smaller conventional contribution to defence in Germany without a similar reduction of forces by the Warsaw Pact and similar does not necessarily mean proportional—the flexible strategy would have to be replaced either by a lowering of the nuclear threshold and a move back towards the "trip-wire" strategy which none of the allies could lightly contemplate, or by greater dependence on a mobile defence in depth involving the abandonment of the forward defence of western Germany. I believe that either of these alternatives would be undesirable and, moreover, could provoke divisive and dangerous arguments inside the Western Alliance with consequences which it does not take much imagination to predict.

'Over the last few years NATO has had to cope with two such threats to the existing balance of forces in Europe. First, the Soviet invasion of Czechoslovakia, which left a number of Soviet divisions facing NATO in Czechoslovakia where none had previously been stationed, and second the decision of the Canadian Government to reduce their contribution to the defence of Europe on the ground and to change its nature [see 21.11.69 p. 1030]

'The Czech crisis led to some significant strengthening in the NATO military capability. As the then American Ambassador to NATO has pointed out, 80 to 90 per cent of this improvement was made by the European members of the Alliance, a large part by the United Kingdom. . . . We face the withdrawal of the Canadian mechanised Brigade Group from its key position in Northern Army Group as part of the First British Corps which is due to take place later this year. The problems this creates are also being met by the efforts of the European Powers and once again, Britain is playing a leading role.'

Return of Six Brigade

Mr. Healey said that 'the British Sixth Brigade will move into positions left vacant by the Canadian Brigade this autumn and the present role of Six Brigade as a crisis reinforcement for Northern Army Group will be taken over by a newly formed [Federal] German Brigade. And 36 Heavy Air Defence Regiment, 18 Wessex Squadron, RAF, will also return to Germany this autumn. The Government are grateful to the Federal German Government for the help that they are giving towards meeting the foreign exchange costs of the return of Six Brigade to Germany. The Federal Government have agreed to buy British military equipment to offset exchange costs of keeping Six Brigade in Germany and have undertaken to meet up to DM 13 million worth of the costs of settling Six Brigade into its new position.'

This Anglo-German co-operation was an example of the type of mutual self-help European members of NATO could undertake and was a valuable

precedent for the future. 'It is a further step towards creating that European identity in defence which the Government have been seeking to develop these past two years and which President Nixon eloquently welcomed.'

Britain's Contribution

'Europe as a whole has already derived great benefit from the decision two years ago to concentrate Britain's defence efforts in the NATO area during the 1970s. As a result of the withdrawal from our bases overseas, which began after the end of confrontation, the total strength of our forces in BAOR in Germany will be more than 3,500 higher at the end of 1970 than it was in 1964. We have also been able to make major increases in our commitment to the mobile formations like Three Division and to strengthen our contribution by both sea and air in the Mediterranean. The case for this change in Britain's defence policy looks like being stronger still in the years ahead, for the central problem facing NATO in the immediate future is the substantial pressure in the United States for a reduction in America's contribution to the Alliance in Europe.'

European Defence Co-operation

'We must all have welcomed President Nixon's firm assurance in his recent statement that America [cannot] disengage from Europe . . and that she will make no significant reduction in her forces in Europe at least before the middle of 1971 I hope that we Europeans also take note of his warning that a clear demonstration of Europe's determination to take its defence seriously is the best possible argument against and critics of America's present contribution to the Alliance.

'I hope too that Europe can answer his appeal to it to provide America with a partner in defence as well as other fields which will enable America to assume a more equal relationship with her allies during this decade than in the last quarter of a century Britain will do all in her power to help in creating such a European partner in defence no less than in the fields of foreign policy and economics '

Opposition Views

The Opposition spokesman on defence Mr. Geoffrey Rippon (*Hansard*, 4.3.70 cols 444-59), stressed the agreement between the two parties on the question of NATO strategy, but argued that not sufficient had been done to make this strategy of flexible response a reality Since the margin of conventional forces available to the Alliance was narrow, and it was unrealistic to expect the United States to continue its high level of military expenditure, partly in defence of Europe, when countries such as Britain were proposing cut-backs in their armed forces and reserves, it would seem that there must be a 'co-ordinated European defence policy which would lead to the creation in NATO of what should be the European pillar of the Alliance, possibly with a nuclear as well as a conventional basis'. Mr. Rippon felt that the conventional forces had been run down too far and that there were serious gaps in equipment and capabilities, and he criticised in particular the decision to phase out the aircraft-carriers, and the present level of reserve forces. Both he and Mr. Edward Heath, Leader of the Opposition (*Hansard*, 5.3.70, cols. 627-45), criticised the Government's policy of withdrawal from east of Suez, where Britain had 'a responsibility which we can and are able to carry out in our own interests and in the interests of those other countries . . . a responsibility we should accept' [Mr. Heath]. The proportion of resources spent in the Near and Far East, Mr. Heath considered, 'serves not only the interests of the countries there and our own but also those of our allies and of the West. It serves peace in Cyprus,

stability in the Gulf and Malaysia and Singapore, and on that stability depend the fuel resources of so much of Western Europe and the United States as well as ourselves, and the trade of other countries in Western Europe. . . . That is why the United States and members of the Commonwealth want us to continue our obligations outside the European theatre. The Europeans . . . know that part of what we have to bring to a European entity is our connections with the outside world and our ability to discharge our responsibilities there '. A policy of maintaining some military presence east of Suez, in co-operation with the local Commonwealth countries, was therefore essential.

In his closing speech, Mr. Healey (*Hansard*, 5.3.70, cols. 742-54) said that the Opposition had failed to indicate the role of the forces they intended to maintain east of Suez, and the type of commitments they would be intended to fulfil. Automatic commitments to the defence of the area would require a reinforcement capability—or expose British forces to unacceptable risk—that would involve not only a massive increase in the defence budget, but also conscription.

Entry into Force of Non-Proliferation Treaty

On 5th March, after ceremonies in London, Washington and Moscow, the Treaty on the Non-Proliferation of Nuclear Weapons came into force. The treaty was opened for signature on 1st July 1968 [see 5.7.68 p. 261]; Britain was the first of the three depositary powers to ratify it—on 27th November 1968 [see 31.1.69 p. 114]. At the ceremonies this month the deposition of instruments of ratification by the United States and the Soviet Union, and by 13 other states, took the number of ratifications past the total required by the treaty that is, the three depositary powers (Britain, the United States and the Soviet Union) and 40 other states. Canada, Sweden, Czechoslovakia and Mexico are among the countries to have ratified the treaty; the Federal Republic of Germany, Japan, Switzerland and Australia are among those who have signed but not yet ratified it.

The treaty is designed to prevent the spread of nuclear weapons and provide an assurance, through international safeguards, that the peaceful nuclear activities of states which have not already developed nuclear weapons will not be directed to making such weapons. At the same time, it allows the promotion of the peaceful uses of nuclear energy to the maximum extent consistent with its central provisions. The treaty also contains an undertaking to negotiate further measures of nuclear arms control and disarmament.

Speaking at the London ceremony, the Prime Minister described the treaty's entry into force as a ' momentous step '. He warned that much remained to be done in the area of arms control and disarmament ' We know that there are two forms of proliferation, vertical as well as horizontal. The countries which do not possess nuclear weapons and which are now undertaking an obligation never to possess them, have the right to expect that the nuclear weapon states will fulfil their part of the bargain. We are confident that the American and Russian negotiators will bear this obligation in mind when they get down next month to the complex discussions on the limitation of strategic arms, which may well themselves in turn prove the most important arms control negotiations undertaken since the last world war. ' Mr. Wilson called on those states which have not yet adhered to the treaty to do so, ' . . . to recognise that this treaty offers to them individually and to mankind in general the best hope of avoiding nuclear war '.

Mr. Stewart, Secretary of State for Foreign and Commonwealth Affairs, who also attended the London ceremony, welcomed the treaty's entry into force as a significant beginning to the Disarmament Decade declared by the United Nations General Assembly in its 1969 session. He added: 'We now look forward to the early implementation of the non-proliferation treaty on the widest possible geographical basis' [a reference to the negotiations which now begin between the non-nuclear weapon states party to the treaty and the International Atomic Energy Agency to conclude safeguards arrangements to prevent the diversion of nuclear energy from peaceful uses to nuclear weapons (Article III)]. The treaty, Mr. Stewart said, was a success which should encourage efforts 'toward the ultimate goal of general and complete disarmament under effective international control' and a foundation on which to make the world 'a safer and more rational place'. Britain had 'played an important part in the negotiation of the . . . treaty, both in the Eighteen Nation Disarmament Committee and in the General Assembly of the United Nations. And we have, of course, in company with our fellow depositary governments, offered security assurances to supplement the treaty.'

Also speaking at the London ceremony, the United States Ambassador, Mr. Walter Annenberg, said that his Government believed that the treaty 'will increase the security of all nations and make nuclear energy for peaceful uses more readily available to all nations'. He pointed out that his Government was 'mindful of the undertaking which each party to the treaty has given to halt the nuclear arms race'

President Nixon and Mr. Kosygin, the Soviet Prime Minister, spoke in the ceremonies in Washington and Moscow of the great importance they attached to the talks between their countries on the limitation of strategic arms. The nuclear powers should, Mr Kosygin said, 'do their utmost to end the nuclear armaments race and achieve progress in the field of general and complete disarmament' Mr. Nixon expressed the hope that 'we will look back and say that this was one of the first major steps in that process in which the nations of the world moved from a period of confrontation to a period of negotiation and a period of lasting peace'

Seychelles Conference

NEW CONSTITUTION AGREED

As a result of talks held in London from 9th to 13th March a new constitution is to be introduced in Seychelles [For a brief description of the territory and its economy see 2.1.70 p. 9] The talks took place at Marlborough House, under the chairmanship of Lord Shepherd, Minister of State for Foreign and Commonwealth Affairs, and were attended by the Governor of Seychelles, Sir Bruce Greatbatch, and by members of the Governing Council.

The present Seychelles constitution, introduced in 1967, provides for a single Governing Council consisting of the Governor as president, three official members, up to four nominated members and eight elected members. This council embodies the system of government known as the 'single-council with committees system'. Three committees of the council under the chairmanship of elected members (the fourth, the Finance Committee, being under the chairmanship of the Financial Secretary), have responsibility for groups of government departments. The Governor retains full reserve powers.

British policy with regard to a system of government for Seychelles, as for other dependent territories, has been guided by the wishes of the people.

The recent conference was convened following a unanimous request from the Governing Council and political and trade union leaders in Seychelles for a change to a two-council system. They felt that under the single-council system elected members had had no specific individual responsibility for the actions or omissions of Government, but instead a theoretical collective responsibility which in practice had not operated. It was made clear that neither of the two political parties (the Seychelles Democratic Party and the Seychelles People's United Party) advocated independence.

Main Provisions

The new constitution will provide for a Council of Ministers consisting of a Chief Minister and up to four other Ministers, together with three *ex officio* members (Deputy Governor, Attorney-General and Financial Secretary), presided over by the Governor. Members of the Council of Ministers will be entrusted with portfolios covering the range of government business, except for those subjects which will be within the direct responsibility of the Governor external affairs, defence, internal security, the public service and the government broadcasting service and newspaper.

There will also be a Legislative Assembly comprising a Speaker, 15 elected members (directly elected in eight electoral areas) and the *ex officio* members of the Council of Ministers. The life of the assembly will normally be five years unless there is an earlier dissolution.

The conference agreed that the constitution should provide for a public accounts committee of the Legislative Assembly and for an advisory committee to assist the Governor in the discharge of his responsibilities for the government publicity media.

It is planned to introduce the new constitution and hold elections under it before the end of 1970.

Visit of Yugoslav Prime Minister

The President of the Federal Executive Council of Yugoslavia, Mr Mitja Ribicic, paid an official visit to Britain from 23rd to 26th February at the invitation of Mr. Wilson. He was accompanied by senior economic and foreign affairs Ministers and advisers. Talks between the two Prime Ministers and other ministerial discussions were held, those taking part on the British side including Mr. Stewart, Secretary of State for Foreign and Commonwealth Affairs, Mr Wedgwood Benn, Minister of Technology, Mr. Thomson, Chancellor of the Duchy of Lancaster, and Mr. Mason, President of the Board of Trade. The communiqué issued after the visit indicated that the talks had covered current international questions of common concern and relations between the two countries.

The communiqué stated: 'The two Prime Ministers agreed on the desirability of enhancing the high level of activity already reached in commercial, economic, technological, cultural and scientific co-operation and exchanges between Yugoslavia and the United Kingdom. They also discussed industrial and technical co-operation in the field of defence equipment. They noted with satisfaction that bilateral agreements had now been concluded which provided a sound basis for the further development of friendly relations between Yugoslavia and the United Kingdom. These relations are founded on mutual trust and on the deep attachment of both sides to the principle of respect for the sovereign rights of independent states.'

In discussions on international affairs special attention was devoted to European affairs, the communiqué stated. The two Prime Ministers 'underlined

their commitment, from their respective standpoints, to work towards the establishment of an atmosphere of understanding and co-operation which will favour the aspirations of all the peoples of Europe for security and prosperity'. On the Middle East situation deep concern was expressed, and the need for progress towards a political settlement on the basis of the United Nations Security Council resolution of 22nd November 1967 was reaffirmed. The Prime Ministers also reaffirmed their commitment to internationally agreed arms control and disarmament measures, and to the promotion of co-operation between the two countries in the United Nations and other multilateral organisations. 'Both sides expressed the view that the United Nations should become truly universal.'

Mr. Ribicic was received in audience by the Queen. He and his Ministers also met representatives of British political, industrial, cultural and scientific life. Mr. Wilson and Mr. Stewart have accepted Mr. Ribicic's invitation to pay official visits to Yugoslavia; the dates are to be arranged.

ANGLO-YUGOSLAV RELATIONS

In recent years there have been continuous and cordial contacts between the British and Yugoslav Governments. Mr Roberts, Minister of State, Foreign and Commonwealth Office, visited Belgrade in September 1969, and Mr. Stewart paid a visit in 1968. There are a considerable number of bilateral agreements between the countries, notably on commercial matters, as well as one on co-operation in applied science and technology. Mr. Benn visited Yugoslavia in September 1969, and he had talks with Mr. Ribicic during the present visit.

It is reported that the talks were also concerned with methods of improving economic relations between Britain and Yugoslavia. Trade with Yugoslavia has been fairly steady: Britain exported £31·2 million worth of goods to Yugoslavia in 1969, and imports from Yugoslavia totalled £24·7 million, almost half this figure being accounted for by the trade in meat. Recent contracts placed by Yugoslav enterprises in Britain include a £1 million order for steel rolling mill equipment, a £500,000 order for Land Rovers and two orders of around £170,000 for diesel equipment A report, published in March 1970 by the Anglo-Yugoslav Trade Council, following a council mission to Yugoslavia in October 1969, indicated that the most important topic in future trading links between the two countries was industrial co-operation in such areas as plastics, chemicals, textiles, computers and transport. In October 1969 the International Investment Corporation for Yugoslavia was established, with headquarters in London; one of its main objectives is to assist non-Yugoslav companies wishing to set up plant in that country

Indo-British Co-operation

MRS. HART'S VISIT TO INDIA

The British Minister of Overseas Development, Mrs Judith Hart, spent two weeks in India between 29th January and 12th February. She visited development schemes and projects, including a number which have been assisted under the British aid programme, and discussed development matters with Ministers and officials. While in New Delhi, she attended, on behalf of the Minister of Technology, a meeting of the Indo-British Technological Collaboration Group, and on 11th February signed two new British aid agreements with India.

On 19th February she made a statement in the House of Commons and answered questions about her visit (*Hansard*, cols. 568-72). During her tour of agricultural areas in several Indian states, she said, she had come to understand the real meaning of the 'green revolution' and to appreciate the enormous contrast between the dry areas, 'where the almost total absence of ground water means that the rural communities are at the mercy of the monsoon and eke out a precarious living', and the irrigated areas, where agricultural production was high and there was relative prosperity. Another contrast which had struck her was 'between advanced technology on the one hand and great poverty on the other'. While the industrial advances being made in India were encouraging, she could not escape the impression that the development of the rural sector was critical to the country's economic growth, in terms not only of agricultural development in itself, but also in terms of the intermediate industry this promoted.

She had found in India 'a very genuine appreciation' of the contribution that Britain had made, through both aid and private investment, to the country's own great efforts to raise living standards. 'I am sure', she affirmed, 'that we should continue and if possible increase this support.'

British Aid

Britain's aid to India takes two main forms: interest-free capital aid loans and technical assistance. Disbursements of capital aid have been running at well over £30 million a year. In 1969 new aid of £38 million was pledged, a large proportion of which was non-project aid for the supply of spares, components, and other material needed by India to make full use of its existing capacity. The remainder—apart from debt relief—was project aid used to buy capital goods to extend capacity. Technical assistance amounts to about £750,000 a year, used to finance Indian students and trainees in Britain, visits to India by British experts, consultancies and feasibility studies. India also received from Britain in 1969 a grant of £2·7 million under the Rome Food Aid Convention.

The aid agreements signed on 11th February made available a new interest-free loan of £9 million for the import of maintenance items from Britain by both public and private sector industries, and a further gift of £1·2 million for the purchase of wheat and other food grains, mainly from Argentina, under the terms of the Food Aid Convention. The loan is designed for almost immediate

disbursement, and will bring the total of loan agreements signed in 1969-70 to £47 million and the total of all aid agreements with India to £411·5 million, of which it is estimated that 90 per cent will have been disbursed by the end of the present financial year.

Technological Collaboration Group

During a visit to Britain in May 1969 by the Indian Minister of Industrial Development, Internal Trade and Company Affairs, it was agreed with the British Ministers concerned that joint meetings should be held periodically to study and review industrial co-operation between Britain and India and how it might be extended. The objects would be to foster a favourable climate for industrial collaboration, to arrange for a continuing exploration of new possibilities and to smooth out any difficulties. It was envisaged that representatives of industry would have an important part to play, since the successful realisation of opportunities for co-operation often depends on partnership between firms, founded on commercial interests.

The first meeting of the Indo-British Technological Collaboration Group, formed as a result of the May 1969 discussions and comprising representatives from each of the Governments and from industry in both countries, was held in New Delhi in the second week of February, during Mrs. Hart's visit. The Indian Minister who had attended the initial discussions in Britain, Mr. Fakhruddin Ali Ahmed, was also present.

Referring to the meeting, in the course of a speech to the Indian Journalists' Association in London on 19th February, the Minister of Technology, Mr. Wedgwood Benn, said that it had gone very well indeed and that the communiqué issued at the close had reflected the desire of both Governments to strengthen their co-operation. The main reason for forming the group, he said, was to review India's developing needs as its economy expanded and to see how gaps might be filled by new investment and know-how arrangements.

'Our two countries have of course been developing closer industrial links in recent years and we are all hoping that this can be further extended on the basis of our mutual interest and with the proper regard to the need for both countries to expand their visible and invisible export earnings', said Mr. Benn.

'The group held a number of detailed discussions covering equity structure and know-how payments and the encouragement of industrial research and development in India as well as export franchise and other arrangements.

'In addition there was a discussion of the Indian Fourth Plan[1] and it was agreed that the Indian Investment Centre in London [set up by the Indian Government in 1961 to promote British investments] should expand its activity and make itself more widely known to British industry, with the co-operation of the CBI [Confederation of British Industry] here.

'On the manufacturing side it became clear that there was much more scope for the development of components and sub-assemblies made in India for British concerns and there was also some talk about the possibility of Indo-British enterprises in third markets

'Finally there was discussion about the extent to which closer links in applied research and development could be formed between our two countries.'

The Minister said that he hoped the work begun in Delhi which would be followed up by a further meeting in London later in 1970, would help to build the foundations of 'a new and closer Indo-British co-operation'.

Bilateral Talks

The second round of informal discussions on a bilateral basis between Indian and British officials took place in London during January, the first having taken place in New Delhi in December 1968 [see 3.1.69 p. 21].

In reply to a question about the talks in the House of Commons on 2nd March (*Hansard*, written answers, cols. 1-2), the Under-Secretary of State at the Foreign and Commonwealth Office, Mr. Foley, said that details were confidential, but that the purpose of the talks was to 'exchange views informally on a wide range of international questions as well as on matters affecting only our two countries'. The talks, he said, were conducted 'in a frank and friendly atmosphere which reflected the present satisfactory relationship between the two countries'.

Regional Development

INTERMEDIATE AREAS CREATED

The Local Employment Act 1970 received the Royal Assent on 26th February and came into effect on 5th March. The main purpose of the Act is to extend to a new category of area—the intermediate areas [see 9.5.69 pp. 447-9]—some of the incentives to industrial investment already available in the development areas under earlier Local Employment Acts. In addition the Act empowers the Government to make grants to local authorities in other parts of the country towards the cost of acquiring and improving derelict land where this is likely to contribute to the development of industry in the locality.

Intermediate Areas

The Act confers on the Minister of Technology, who is responsible for distribution of industry policy, power to designate as intermediate areas those parts of the country in which 'special measures are necessary for the purpose of encouraging the growth and proper distribution of industry' but whose economic problems are not so acute as to justify their designation as development areas. The areas specified cover, broadly, the Yorkshire coalfield, North Humberside, north-east Lancashire, parts of the Notts/Derby coalfield, parts of south-east Wales, Plymouth and Leith. The existing coverage of the development areas remains unchanged.

The forms of assistance to be extended under the Act are.

grants at 25 per cent (in special cases 35 per cent) towards the cost of factory building, by individual firms;

factory buildings for rent or sale, by the Ministry of Technology through the Industrial Estates Corporations. Factories may be built either to suit the requirements of a particular firm or without a known occupier in mind (advance factories). In special cases a factory may be made available rent-free for a period of two years;

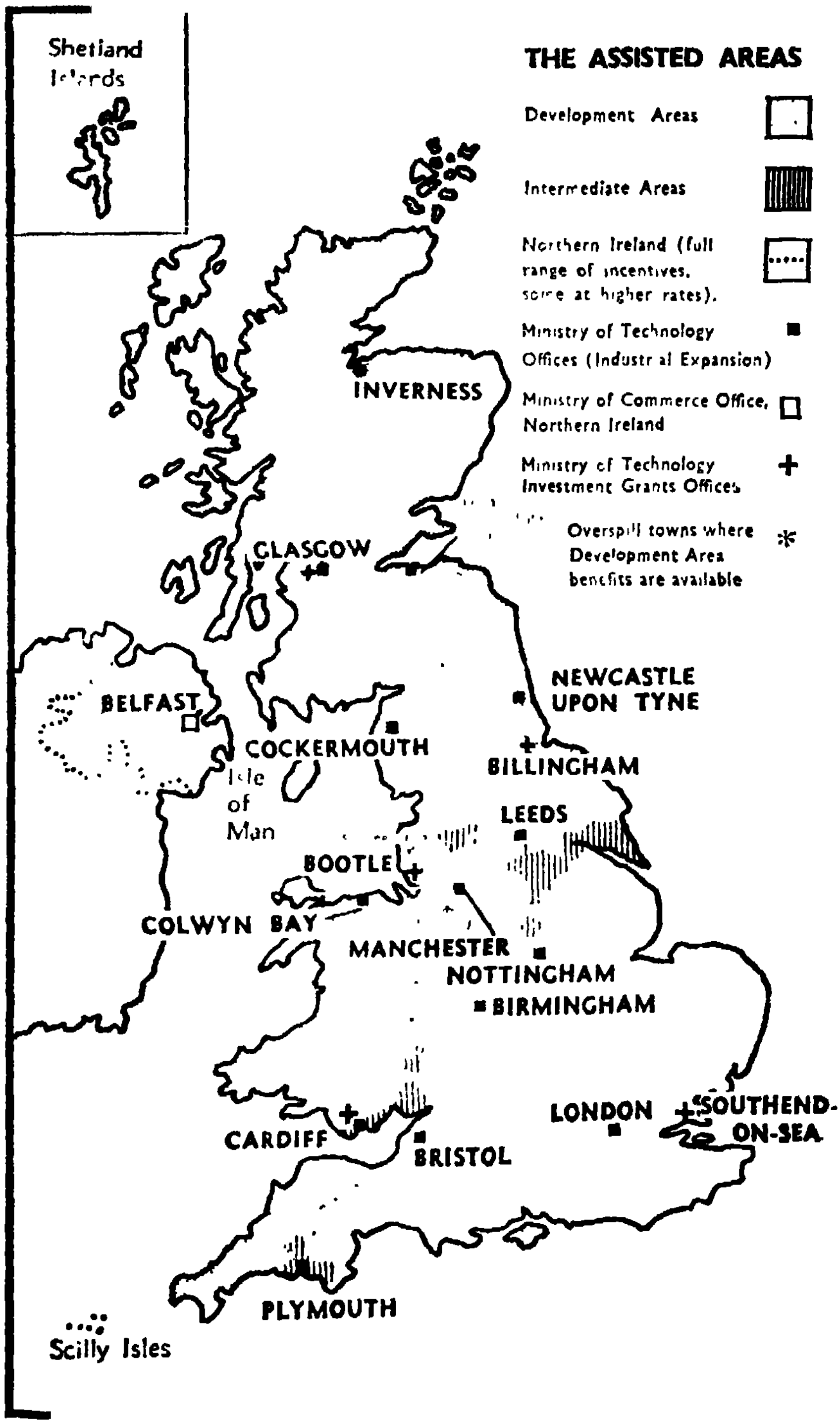
payments towards the cost of transferring key workers to new areas;

financial assistance to local authorities and other bodies for the improvement of basic services.

The assistance is available on the same basis as in the development areas. In particular, building grants and factory building by the Ministry of Technology are linked to the provision of increased employment in the area. Local authorities in the intermediate areas will also be eligible for capital grants of 75 per cent of the cost of acquiring and improving derelict land when this is likely to contribute to the development of industry in the locality.

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[1] India's fourth Five-Year Plan involving expenditure of about £14,000 million in the public sector was approved by the Cabinet on 4th February.


THE ASSISTED AREAS
Development Areas
Intermediate Areas
Northern Ireland (full range of incentives, some at higher rates).
Ministry of Technology Offices (Industrial Expansion)
Ministry of Commerce Office, Northern Ireland
Ministry of Technology Investment Grants Offices
Overspill towns where Development Area benefits are available
Shetland Islands
INVERNESS
GLASGOW
NEWCASTLE UPON TYNE
BELFAST
COCKERMOUTH
BILLINGHAM
Isle of Man
LEEDS
BOOTLE
COLWYN BAY
MANCHESTER
NOTTINGHAM
BIRMINGHAM
LONDON
SOUTHEND-ON-SEA
CARDIFF
BRISTOL
PLYMOUTH
Scilly Isles

Since 1st September 1969 the full range of development area training grants and other forms of assistance towards training for additional jobs have been available in the intermediate areas.

Derelict Land Clearance Areas

The Act empowers the Ministry of Technology to specify as derelict land clearance areas those parts of the country in which grants to local authorities for the clearance of derelict land 'would be particularly appropriate with a view to contributing to the development of industry in the locality'. Areas so specified cover the North West and Yorkshire and Humberside regions and the North Staffordshire and Notts/Derby sub-regions, other than the parts of these regions which are already within the development or intermediate areas.

Local authorities in these regions, as in the intermediate regions, will be eligible for grants of 75 per cent of the cost of acquiring and improving suitable derelict land. The comparable rate in development areas remains at 85 per cent, revenue grants of 50 per cent are available to local authorities throughout the country to assist in clearing derelict land.

Withdrawal of Additional Selective Employment Premium in Development Areas

To pay for assistance to the intermediate areas and derelict land clearance areas, the Act removes the additional sum in the selective employment premium (7s 6d a week for each man, 3s 9d for women and boys, and 2s 6d for girls) previously available to employers in the development areas in respect of employment after 6th April 1970, although outstanding payments will continue to be made in respect of employment before that date The regional employment premium (30s a week for each man, with lower rates for women and young persons) will continue to be paid to employers in manufacturing industries in the development areas.

Technology and the Quality of Life

ADDRESS BY MINISTER

The Minister of Technology, Mr. Benn, addressed a meeting of the Manchester Technology Association in London on 25th February.

Speaking of the growing public interest in technology, Mr. Benn said 'More and more people have come to see how the rapid application of scientific methods could improve their performance and help to raise the standard of living. Mintech [the Ministry of Technology] has been encouraging the idea that technology can and ought to be put into service in industry and society more quickly, and the growing acceptance of it is most welcome. We have had to give economic growth a high priority.

'At the same time public awareness about the broader effects of technology on human beings has also been growing. As economic standards rise, there is an increasing fear that technology is being misused, that we are pursuing increased production of goods and services too singlemindedly and without regard for the general quality of life. People are becoming increasingly concerned that this general quality of life will be damaged because the wider effects of technological change are either not thought about or disregarded.'

The Minister emphasised the importance of making a balanced assessment by weighing the possible misuse against the definite improvements in the standard

and quality of life which are attributable to technological developments. He cited the new, cleaner methods of electricity production using nuclear and hydro-generation and the obvious gains from the application of technology in the home, in medicine and in communications. However, he pointed out that, 'what is now, quite rightly, under direct challenge is the tendency for an unthinking acceptance of everything that is scientifically exciting and technically within our capability, regardless of its social consequences.

'What people want is a better method of decision making that takes into account wider considerations that have in the past been left out of account. They are dissatisfied with narrow assessments that do not take sufficient account of the wider social and human consequences which may, in the end, turn out to be more important than any immediate short-term and purely economic analysis could reveal.'

Government and Industry

Mr. Benn went on to suggest a programme which could be applied before a major decision on a new use of technology was taken. 'First, as far as Government is concerned, the process of analysis must be widened at the very outset. Everyone working on or promoting new projects or processes must be actively encouraged to think much more widely about the social implications of what they are doing while they are actually engaged in their work, and so must all those in responsible positions in industry and society who are concerned with the advocacy of technological change

'Secondly, these wider considerations must be independently examined by some inter-disciplinary groups to be composed of those with a wider range of human experience, and who can identify those people who are most likely to be affected.

'Thirdly, this whole exercise of initial proposition, evaluation and assessment must be made public so that everyone can join in, before the final decision is made.'

These considerations should be applied increasingly to industry as well as to government. The Minister then proceeded to elaborate this three-point programme

'We shall have to devise some more comprehensive interrogation to which we can subject new industrial processes, new methods or new projects as they emerge from government and industry In recent years propositions of this kind have been subjected to increasingly sophisticated analysis, covering economic costs and benefits In addition to that we shall now have to push some fairly basic questions down the line and require them to be answered at the point of initiation, by the initiators. In this way, we may hope to establish an early-warning system, which will widen the discussion at the outset.'

The Minister affirmed his belief that the real value of such an interrogation would lie in the intense discussion which adequate replies would necessitate In major cases the answers provided would also have to be considered by a wider inter-disciplinary group.

'This group would not be a "think tank" upon whom to off-load the full responsibility for assessment. What is wrong today is that too few people are encouraged to think for themselves outside their own field. To seek to correct that by establishing "think tanks" as new centres of specialisation could have the effect of encouraging even more people to believe that they didn't have to think because thinking had been made the responsibility of others.

'The assessment group, to be effective, has got, therefore, to be made up of people who are themselves also regularly engaged in their own work and who have been drawn out of it part-time to work with others for the purpose of the assessment. What we want is sabbatical groups, made up of people who take part in the problems of inter-relationships without losing their contact with

reality. It should be a changing group, whose membership is selected according to the problem that is to be thrown to it, always changing while maintaining its fundamental inter-disciplinary character.

'I am now considering how best we might organise studies into major projects that are now beginning to come forward.'

The Ministry of Technology

'The development of the Ministry of Technology, which has brought most industrial sponsorship and the control of many public research resources together under a single Minister accountable to Parliament, represents a significant shift in the right direction.

'The establishment of a Select Committee on Science and Technology in the House of Commons in recent years marked an important step forward and it has significantly altered the balance of power in favour of elected MPs and it has quite properly kept my own department's work under close examination It has helped to educate Parliament in the new problems that confront us all and has brought the House of Commons more directly into contact with the decision making processes in this field

'Another important development has been the innovation of Green Papers through which the Government now shares its thinking with the public before it commits itself to a firm policy decision The recent Green Paper on Industrial Research [see 30.1.70 pp. 111-14] is a perfect example of this completely new approach to the role of the public in our national policy for technology '

In his concluding remarks on the importance of public debate on a national scale, Mr. Benn said that 'the task must not be limited to the vetting of technological proposals submitted to the community. We have also got to identify the main problems facing society and find ways and means of converting these needs into real demands which can be met best by the use of technology '

Tyre Manufacture

PLANS TO FORM AN INTERNATIONAL COMPANY

Two of the world's largest tyre producing groups Dunlop of Britain and Pirelli of Italy -announced on 2nd March that they are planning to merge their interests, creating an international group with an annual turnover of some £940 million and a labour force of almost 180,000 Details of the merger have yet to be finalised and the proposal will be subject to the approval by the relevant authorities in Britain and Italy as well as in a number of other countries The companies hope, however, to reach a conclusion in time to present shareholders with a plan towards the end of this year, and to implement it by the beginning of 1971

A statement issued by the Treasury immediately after the merger was announced, indicated that exploratory talks with Dunlop had already been held on an informal basis, and said that with the publication of the proposals, detailed discussions could now take place on certain points, 'particularly in respect of exchange control and monopoly considerations'. On 14th March, the Department of Employment and Productivity said that the proposal would not be referred to the Monopolies Commission, and simultaneously a further statement from the Treasury said that, in general, the Government welcomed the merger and noted that 'it was particularly apt that such a union should be sought between British and European interests, at a point where the Government is

about to enter into further negotiations on the possible membership of the European Economic Community'.

Dunlop, with 128 factories throughout the world (61 of which are in Britain) manufactures an extensive range of goods in addition to tyres, including automotive and engineering components, sports equipment and footwear. In 1969 the company's turnover totalled £490 million (two-fifths in the United Kingdom) and it accounts for almost one-fifth of the European market for tyres, currently estimated at about 100 million a year. To meet the expected doubling of this demand by 1980, Dunlop has undertaken a £40 million programme of expansion and modernisation at its British and continental plants, centred mainly on new capacity for the production of radial-ply tyres. These form an increasingly large proportion of European sales and with the introduction of more stringent safety requirements are expected to take a significant share of the United States market over the next few years.

The world's first textile-reinforced, radial-ply tyre was introduced by Pirelli, and some 60 companies (including Dunlop) now manufacture it under licence. With a turnover in 1969 of some £450 million, Pirelli held about 12 per cent of the European tyre market and employed a labour force of 76,000 in 82 factories, 51 of which were in Italy.

Announcing the merger, the chairman of Dunlop, Sir Reay Geddes, said that the two companies were very similar in size and technological background and that, without affecting their residence, the link-up would establish a group capable of challenging the two major United States producers, Goodyear and Firestone. Dunlop and Pirelli, Sir Reay noted, were 'complementary in their geographical spread', with the former particularly strong in Northern Europe and North America, and the latter in Southern Europe and Latin America. Some savings from integration were foreseen by the two companies, notably in research and development, but the announcement emphasised that expansion formed the basis of the merger and that it represented 'a constructive move to form a multi-national group'.

The growth of international links between companies is expected to accelerate in the 1970s and to penetrate a greater number of industries. Since the end of the second world war the process has made its greatest impact in areas where the product is homogeneous, enabling smooth and effective rationalisation of production and marketing. Oil, chemicals and pharmaceuticals are the principal examples of products manufactured by international, or internationally linked companies.

Many of Britain's major concerns have internationalised their activities through the setting up of overseas branches or subsidiaries or the negotiation of marketing and licensing agreements, rather than through mergers. There have however been a number of exceptions to this, of which the latest proposal is the most significant for some years. Others include the establishment of the Anglo-Dutch Unilever and Royal Dutch Shell groups, and the merger of British Petroleum's United States subsidiary and the United States Standard Oil Company (Sohio) in November 1969 (see 13.2.70 p. 168).

Recent figures showing the level of direct investment by British companies in overseas branches, subsidiaries and associates are not available. However, the Board of Trade has estimated that in 1966 the total book value of this investment (excluding overseas holdings of the oil, banking and insurance companies) amounted to some £4,500 million, compared with £2,450 million in 1960. of this total about 55 per cent was in the overseas sterling area, about [illegible] per cent in North America, and about 13 per cent in Western Europe.

National Health Service

GREEN PAPER ON THE FUTURE STRUCTURE

Three government decisions on the future structure of the National Health Service are contained in a second Green Paper[1] published on 11th February In a foreword Mr. Richard Crossman, Secretary of State for Social Services, says that the Government has decided that the National Health Service will not be administered by local government but by area health authorities directly responsible to him and closely associated with local authorities. Secondly, it has decided on the administrative boundary which must as a consequence be drawn between the National Health Service and the public health and personal social services which will continue to be administered by local authorities. Thirdly it has decided that in general the number and areas of the new health authorities must match those of the new local authorities—the unitary areas and the metropolitan districts outside London—proposed in the White Paper on the *Reform of Local Government in England* [see 13.2.70 p. 137]. Apart from these three firm decisions the Government is not yet committed to the detailed proposals contained in the Green Paper. Further discussions will be held with those concerned.

The first Green Paper on the reorganisation of the National Health Service was published in July 1968 [see 16.8.68 p. 798] and discussions were held with nearly 50 organisations. The present proposals refer only to England: the Secretary of State for Wales is to publish a separate Green Paper, and the Secretary of State for Scotland is reviewing proposals made in the Green Paper on health services in Scotland, published in December 1968, in the light of comments received and consideration being given to the report of the Royal Commission on Local Government in Scotland

Criticisms of first Green Paper

Mr. Crossman said that most of those who commented on the first Green Paper endorsed its central theme—the need to weld together the three parts of the health service [general practitioner services, hospital and specialist services and local health authority services] at every level to form an integrated service. There were, however, strong criticisms of the proposal to make 40 to 50 area boards responsible for providing health services, with no participation of local people below this level. Many feared that the boards might be dominated by the hospital service and there was concern that no provision had been made for regional planning. Mr. Crossman said that he accepted the argument that in a reorganised health service there must be more, not less, local participation. The need for local participation could best be met by district committees of the area health authorities on which people drawn from the local community and people working in the local health service could contribute to the work of running

[1] *The Future Structure of the National Health Service*, HMSO, 5s.

the district's services. The need to secure close co-ordination between the health and other social services underlay the Government's decision that the number and boundaries of the area health authorities would, in general, be the same as for the new unitary and metropolitan district authorities. Instead of 40 or 50 area boards there would be about 90, including those in London. In addition there would be 14 or more regional health councils whose major task would be to advise the Secretary of State and the area health authorities on the hospital and specialist plans for the regions.

Aims of Reorganisation

The Green Paper summarises the four main aims of reorganisation, which it says should strengthen, develop and reinforce the original principles on which the National Health Service was built. The objectives should be:

(1) To unite the National Health Service. Not only should the separate branches be controlled by the same authority but the separate services should be integrated locally.

(2) To establish close links between the National Health Service and the public health and social services provided by local government.

(3) To put the maximum responsibility for administering the National Health Service in the hands of area health authorities, and to involve each community in the running of the services.

(4) To provide effective central control over the money spent on the service, and to ensure that the maximum value is obtained for it.

This reorganisation, says the Green Paper, should also provide an administrative structure in which the prevention of ill-health and the promotion of health can be given a fresh and stronger emphasis

The Case for Unification

The case for unification is now widely accepted, says the Green Paper Full co-ordination of the National Health Service cannot be achieved in a service run by no fewer than 168 bodies which are agents of or regulated by the Secretary of State (119 Executive Councils, 35 Boards of Governors and 14 Regional Hospital Boards), by 299 agents of the 14 Regional Hospital Boards (Hospital Management Committees), and by 158 local health authorities which have only a limited responsibility to the Secretary of State. Joint planning is obstructed by the sheer number of administrative authorities of varying sizes serving different populations.

Decision not to Administer through Local Government

The Royal Commission on Local Government in England suggested that the possibility of unifying responsibility for the National Health Service within the new system of local government should be considered, says the Green Paper. The Government had decided that this was unacceptable for two main reasons. First, the professions believed that only a service administered by special bodies on which they were represented could provide proper assurance of clinical freedom. Secondly, the financial resources available to local authorities were not sufficient to enable them to take over responsibility for the whole health service. Central government expenditure on the National Health Service, at £1,400 million a year, was nearly as great as the total yield of rates, and about three-quarters of the total government grants to local authorities. Following the Royal Commission's report, the Government was studying how to achieve for the new local authorities a degree of financial independence compatible

with their responsibilities. To add responsibility for spending a further £1,400 million would make it more difficult to achieve this.

Proposed Division of Administrative Responsibilities

The area health authorities will administer the following services:

the existing hospital and specialist services;

the existing family practitioner services;

the school health service;

the following services at present provided by local health authorities:

ambulances;

epidemiological work (general surveillance of the health of the community);

family planning;

health centres;

health visiting;

home nursing and midwifery;

maternity and child health care;

prevention of illness, care and after care, through medical, nursing and allied services (including chiropody, health education—other than its place in the school curriculum—and screening);

residential accommodation for those needing continuing medical supervision and not ready to live in the community;

vaccination and immunisation.

Local authorities will retain their responsibilities for public health matters. The following public health services will continue to be administered by them:

the prevention of the spread of communicable diseases—other than by specific prophylaxis or treatment;

food safety and hygiene;

port health;

the public health aspects of environmental services;

diseases of animals which may affect human health;

enforcement responsibilities relating to environmental conditions at work places;

health education (a power concurrent with that of the health authorities).

In addition to the social services at present provided for the elderly, the handicapped and the homeless and the children's services (exclusive of the school health service) local authorities will be responsible for the following services at present provided under health powers:

family case work and social work with the sick and the mentally disordered;

day centres, clubs, adult training centres and workshops for such people;

the day care of children under five, day nurseries and child-minding;

the care of unsupported mothers, including residential care;

residential accommodation for those who cannot live at home but do not need continuing medical supervision;

home helps.

The Area Health Authorities

As Mr. Crossman emphasised, the Government has reached the firm view that the new area health authorities should serve the same areas for which the new local authorities will be providing personal social services—the unitary areas and the metropolitan districts outside London. In Greater London the local government pattern has already been reorganised and in most cases two or three London boroughs will be grouped to form a single area health authority. The populations covered by area health authorities will vary from 200,000 to about 1,300,000.

The Green Paper says that at present the hospital service is controlled by over 5,000 appointed 'volunteers' [members of regional hospital boards and hospital management committees] who give considerable time to this work without payment for it. The system under which they are appointed has been criticised as 'undemocratic'. The new area health authorities must be more clearly representative of their areas, and of the professions working in the area's services, says the Green Paper. The Government therefore proposes that area health authorities should consist of one-third of members appointed by the health professions, one-third appointed by the local authorities and one-third plus the chairman appointed by the Secretary of State. This will introduce a powerful element of local participation and at the same time help to promote co-ordination with the other services in the area. The aim of the area health authorities will be to bring together the out-of-hospital services which serve each community while at the same time creating much stronger links with the district hospitals. Where health centres are provided they will be provided by a health authority upon which the professions have strong representation. Under these new arrangements more general practitioners may wish to accept this form of practice.

District Committees

The district served by a single district hospital will in many cases be an appropriate unit for a district committee of an area health authority. It is proposed that there shall be some 200 of these district committees, each consisting of a chairman, and half of whose members will be appointed by and drawn from the area authority, and the other half from other people living or working in the district. The area health authorities will use them to supervise the running of services at district level while maintaining their own responsibility for priorities and general efficiency. The district committee will also be a channel through which local people can keep the area authority informed of any problems they encounter with the local health services.

Voluntary Work

Voluntary organisations have always made an important contribution to the National Health Service, the Green Paper notes. The discussions which followed the publication of the first Green Paper showed that the voluntary organisations are ready to take a fresh look at their activities, and to see how far they need to be adapted to work alongside an integrated service. They will receive encouragement and support from the new area health authorities, but their main working links will be with the district committees. Paid organisers of voluntary effort will be employed to co-ordinate support for a particular hospital; some might be jointly employed by an area authority and a local authority to co-ordinate voluntary help for the elderly or mentally ill or handicapped both in hospital and in the community. A special effort needs to be made to foster voluntary work with long-stay patients, says the Green Paper.

The Role of the Central Department

The intention is to give the area health authorities maximum responsibility for administering the National Health Service consistent with providing effective central control over the money spent and with ensuring that maximum value is obtained from it. To reconcile these objectives there must be closer understanding and shorter communications between the central department and the area health authorities. For these reasons, it is proposed that the central department shall deal direct with the area health authorities without an intervening tier of authority as now exists in the hospital service. In order to maintain an effective direct relationship with about 90 area health authorities the central department will need considerable reorganisation. There will need to be strengthened regional offices and much more interchange of staff between the area health authorities and the central department. Certain functions at present performed by regional hospital boards will in future be undertaken by the central department—particularly programming, planning and execution of major building schemes. The Secretary of State will establish a new Central Advisory Council to help him in exercising these enlarged functions. Its membership will be widely drawn from within and outside the professions

Regional Health Councils

The Regional Health Councils which will undertake the planning of the hospital and specialist services at regional level, will have an advisory role both to the central department and to the area health authorities. The councils will have small but highly expert staffs with experience of hospital planning and other skills needed for their work. They will also be responsible to the Secretary of State for a number of executive functions now undertaken by regional hospital boards. These might include the running of the blood transfusion service and the deployment of senior hospital medical, dental and scientific staff. The councils will carry special responsibility for the organisation of postgraduate medical education, which will need to be extensively developed They will have a critical role in promoting and sponsoring clinical and operational research.

The membership of the regional health councils will reflect that of the area health authorities grouped in the region. Each of the area health authorities will appoint at least one member. There will be several members appointed by the professions, some or all of whom might be members of area health authorities Universities in their regions will be represented, and there will be a chairman and some members appointed by the Secretary of State

The University Contribution

In the reorganisation the universities will have certain interests and opportunities to make a contribution. They will be represented in the area authorities and district committees wherever the area or district includes a teaching hospital, and (as already mentioned) on regional councils, with which they must work closely on planning, education and research.

The Community Physician

The Green Paper proposes that there shall be one corps of administrative medical staff serving both the area health authority and the local authority Most of the present work of the medical officer of health will be included in the wider function of the chief administrative medical officer in his capacity as chief ' community physician '. As adviser to both the area health authority and the local authority, he will be able to survey the general pattern of health care both in the hospitals and the community and will have four main tasks

(1) To develop the quantity and quality of information about health needs and the working of area health services.

(2) To act as adviser on the health services to the area health authority.

(3) To advise the local authority on health aspects of all their services and, in particular, to give a lead in health education.

(4) To perform the public health duties of the present Medical Officer of Health.

The Hospital Advisory Service

The Secretary of State has already set up a Hospital Advisory Service [see 15.8.69 p. 744] to provide him with a direct channel by which hospital problems can be brought to his attention. The Green Paper proposes that the advisory service should promote the flow of ideas between the central department, the area health authorities and hospital wards. At present it is concentrating its attention on long-stay hospitals but its services will eventually be provided for all hospitals in the National Health Service.

Complaints and a Health Commissioner

Steps are being taken to introduce more uniform and better publicised procedures for the handling of complaints against hospital authorities. In July 1969, the Prime Minister said that it would be necessary to consider the relationship of any 'health commissioner' to the new Hospital Advisory Service, and also to look at other problems of definition, for example, where complaints involved clinical matters These consultations will now be undertaken in the light of the general proposals made in this Green Paper.

Staffing the Service

The National Health Service employs nearly three-quarters of a million people, says the Green Paper The skill and experience of existing staff must be used to full advantage in the new structure Reorganisation will involve considerable redeployment of staff and this must be effected as smoothly as possible with full consideration of the interests of staff who may be called upon to move. It will be necessary to establish a national staff commission or similar machinery at an early stage.

Conclusion

The Green Paper concludes by saying that there is every reason to believe that both the need for particular health services and the capacity to meet health needs will change rapidly during the next few decades. It is essential that any new structure of the National Health Service should be capable of rapid change and that the system of organisation should encourage experiment of every kind. The Government proposals for integrated and decentralised services are designed to provide flexibility for each local area to respond to change and adapt its services to meet it.

SUGGESTIONS AND COMPLAINTS IN SCOTTISH HOSPITALS

A standard procedure for dealing with suggestions and complaints by hospital patients is to be introduced as soon as possible in Scotland. The procedure will be based on the recommendations of the Working Party on Suggestions and Complaints in Hospitals which have been accepted by Mr. William Ross, Secretary of State for Scotland.

The working party recommended that information booklets should be made available to patients both in hospitals and before admission. These booklets, together with notices in out-patient departments and information printed on out-patient appointment cards, should describe the procedure for making comments. The working party favoured oral rather than written comments but if a patient so wished comments could be put in writing. Normally comments would be made to the ward sister in the first instance, and a comments book should be kept in each ward and department. Great importance is attached to the need for all staff in contact with patients to be trained in establishing and maintaining good communications. The working party also recommended that each hospital board of management should nominate a senior officer to investigate comments which could not be handled at ward level.

Psychiatric Hospitals

In psychiatric hospitals the nominated officer might wish to refer cases to the Mental Welfare Commission, an independent body already existing in Scotland to investigate complaints of wrongful detention or improper treatment

The working party emphasised that in dealing with comments and complaints speed was essential. All comments must be thoroughly investigated, ' white-washing ' should be avoided and patients should be kept informed about investigations.

Local Authority Social Services Bill

A Bill to unify the administration of the personal social services within each local authority area in England and Wales was given a second reading in the House of Commons on 26th February (*Hansard*, cols. 1406-1520). Moving the second reading of the Local Authority Social Services Bill, Mr Richard Crossman, Secretary of State for Social Services, said that the Bill would implement the key recommendations of the Seebohm Committee [see 16.8.68 p 794] While the Government had thought it right to proceed with legislation now, it did so in the knowledge that this came in advance of local government reorganisation [see 13.2.70 p. 137] and anticipated the creation of an integrated health service (see pp. 316-21) with which the personal social services would have to be designed to mesh. The primary objective of the personal social services could best be described as ' strengthening the capacity of the family to care for its members and to supply, as it were, the family's place, where necessary ', said Mr. Crossman. They should provide social support or, if necessary, a home for people who could not look after themselves or be adequately looked after in their family.

Social Services Committee

The Bill requires each local authority to establish a social services committee to be headed by a director of social services which would take charge of most local authority personal social service functions. The full range of responsibilities of the new committees would be as follows:

(1) The children's services, including the care of children and young people received into or committed to care; the provision of such advice, guidance and assistance as may forestall the need to receive children or young people into care or bring them before a juvenile court; the provision of treatment for young offenders; adoption; and the protection of children privately fostered.

(2) The welfare services, including accommodation for the elderly and the promotion of their welfare; temporary accommodation for the homeless; and services for the disabled or handicapped.

(3) Social services now provided by local authority health departments, including services for the sick and mentally disordered (family casework and social work, day centres, clubs, residential care in the community, adult training centres and workshops); day care of children under 5; day nurseries; child minding; care of unmarried mothers, including residential care; home helps.

The social services committee would replace the existing local authority children's and welfare committees.

Mr. Crossman said that if the Bill reached the statute book in its present form the general plan would be for directors of social services to be in their posts by 1st April 1971. It was possible, however, that a local authority might, on grounds of efficiency, make out a case for postponing the proposed reorganisation in its area and the Bill provided for this. But it was the Government's intention to get the proposals of the Bill into operation as widely and as soon as possible.

Ministerial Responsibility

To give a unified direction to the new service, Mr. Crossman continued, a joint social work group of officials had been set up within the Government comprising staff drawn from the Home Office, the Department of Health and Social Security and the Welsh Office

Social Work Training

The Bill also provides for the establishment of a new central training council for social work in which functions at present exercised by different councils for different branches of social work would be unified. The present Council for Training in Social Work would be reconstituted as a Central Council for Training in Social Work, which would be responsible for social work training not only for local authority services in England and Wales but also for services outside local government and for services in Scotland and Northern Ireland.

Environmental Conservation

EUROPEAN CONSERVATION CONFERENCE

A European Conservation Conference was held in Strasbourg from 9th to 12th February under the auspices of the Council of Europe. The conference was attended by delegates and observers representing all the member countries of the Council of Europe except Greece and Iceland, several non-member countries, including Canada and the United States, and about 60 inter-governmental and non-governmental international organisations. The participants included representatives of governments and parliaments, nature conservation authorities, national parks, private nature protection associations, river boards, farming, forestry, industry and tourism, and of the universities and other branches of education.

The conference, one of the major events of European Conservation Year 1970 [see 16.1.70 pp. 73-5], was the outcome of a suggestion by Mr. Robert Boote, who is now both chairman of the European Committee for the Conserva-

tion of Nature and Natural Resources, and secretary of the British standing committee of ' The Countryside in 1970 ' organisation. The aim of the conference was to define policies to safeguard man's environment and to stress the special need for Europe-wide co-operation. It was also designed to make the public more keenly aware of the broad problems of preserving nature and natural resources in a fast-developing industrial society and to win public support for the necessary action.

Main Themes and Extracts from Speeches

The central theme of the conference, ' The Management of the Environment in Tomorrow's Europe ', was developed in the papers presented to the conference and subsequent discussion. The four papers were: *Urban Development and the Countryside*, presented by Mr. R. J. Benthem, Chief of the Department of Landscape Planning, Netherlands State Forest Service; *The Influence of Industry*, presented by Professor R. Passino, Director of the Institute for Water Research of the Italian National Research Council; *The Impact of Agriculture and Forestry on Nature Conservation*, presented by Dr. Michel Maldague, lecturer, Laval University, Quebec, Canada; and *The Impact of Leisure*, presented by Mr. R. J. S. Hookway, Planning Officer for the Countryside Commission of England and Wales.

Dr. Lujo Toncic-Sorinj

Opening the conference, the Secretary-General of the Council of Europe, Dr. Lujo Toncic-Sorinj, spoke of the council's leading role in promoting international co-operation in the solution of environmental problems. He stressed, however, that both European Conservation Year and the conference were seen by all those concerned with the Council of Europe ' not as the end of our labours but as the beginning of a purposeful and far-reaching concerted action at European level to face up to the threats to our environment in our modern society. Many other international organisations have recently embarked on programmes in this field . . . These efforts at international level, which are absolutely indispensable in view of the planetary nature of the problems we are concerned with, must, however, manifestly be very closely co-ordinated and integrated. There is no room for wasteful duplication of effort and we must all work to the highest standards of efficiency '.

Mr. Robert Boote

Mr. Boote said that over the seven years since the European Conservation Committee was set up there had developed an increasing acceptance of conservation. In European Conservation Year the nations of Europe were now, for the first time in their history, ' co-operating in designing tomorrow's environment '. There was, he said, clear agreement among the countries and bodies represented at the conference that the environment could no longer be ruthlessly exploited, and that ' as we change it, we change ourselves '. Much more needed to be done. If we were to ' leave our children and future generations a decent environment . . . we must encourage every individual to care for his surroundings, to want to improve them, and to contribute personally in a real spirit of trusteeship '. In all this European Conservation Year was basically a starting point and its primary aim must be to create new attitudes. To succeed fully conservation ' must become part of the philosophy and approach in the work of everyone primarily concerned with the physical environment '. There was, therefore, a need to examine continually in depth the aims and practices of agriculture and forestry, industrialisation, urbanisation and leisure, as well as a scientific, educational and recreational need for nature reserves and amenity

wilderness areas. 'We can achieve these values, provided that we bring population numbers and expectations for "the good life" into balance 1 the environment and its resources. Massive education and information required. Whatever this costs, it must be less than the failure to achieve aims, with all the impoverishment of our lives that would result.'

Duke of Edinburgh

The Duke of Edinburgh, one of the patrons of the conference, referred he widespread pollution and depredation of countryside, rivers, lakes and ins, and to the destruction of wildlife which had resulted from the growth ndustry and transport, from the introduction of more intensive methods of culture and from the pressure of population increase. Since the foundation 961 of the World Wildlife Trust by 'a group of far-sighted people' led by British naturalist Mr. Peter Scott and the first 'Countryside in 1970' ference held in London in 1963, voluntary organisations, industrial and cultural interests and government departments had been working together repair some of the worst mistakes and to prevent any further avoidable nage'. But this was only a beginning. There were still some formidable blems to overcome.

What was needed was 'an administrative system which is capable of nulating a sensible and comprehensive conservation policy, which can take erably the right decisions and which can eventually carry the policy and isions into effect. It must distinguish between those aspects of conservation ch can be dealt with by advice and encouragement and those which require slative action. The system must make it possible to agree and enforce rnational controls where these are necessary. Above all, we have got to face unpalatable fact that the conservation of our environment is going to cost ery great deal of money, and the denser the human population becomes more expensive it will be.'

The time for discussing present mistakes and future dangers was past; burden of responsibility rested firmly on the present generation. Even without further research we knew enough to put many things right and with the it administrative structure it should be possible to see that plans for the ire were not unnecessarily destructive. We also knew enough to decide direction of research programmes, but while more research was certainly ded, research must not become an excuse for doing nothing else. 'Research action must go on at the same time.'

The Duke of Edinburgh continued: 'It is just as well to recognise that any isures taken to protect our environment will be unpopular in some quarters they will inevitably cut across national boundaries.' It could be claimed conservation conflicted with the wider public interest, and some objections ht well be valid, but ways must be found to compromise between conservation development. 'If we want to continue to live a reasonable, civilised existence n increasingly overcrowded world we shall have to accept certain restrictions.' ling for positive action, the Duke said that it would be 'a waste of time and rt to establish even the most brilliant advisory body if there is no way of ing its advice into effect. This conference itself will mean nothing at all if it does not lead to practical conservation measures in every European ntry.'

Anthony Crosland

In the course of the discussion of urban conglomerations, Britain's Secretary itate for Local Government and Regional Planning, Mr. Anthony Crosland, the conference of the measures being taken in Britain to improve the control co-ordination of environmental planning and conservation.

After explaining the British system of planning and development control by local authorities under ministerial supervision, Mr. Crosland said that as part of the proposed reform of the local government structure in England [see 13.2.70 pp. 137-41] and in recognition of the dangers to the environment inherent in urbanisation and technological advance, the Government were introducing a system by which local planning and control of development would be carried out by reference not only to local plans but also to strategic plans covering wider interdependent urban and rural areas The new local authorities, which would be neither purely urban nor purely rural, would still in the last resort be subject to ministerial supervision. 'And we are requiring that their plan-making must, by law, take account of comments and contributions from all interested citizens in all parts of their areas—and, not least, from those who are concerned with the quality of the environment in the interests of the whole community, rather than merely their own sectional interests.'

General arrangements for integrated planning were supplemented by special ones deliberately and specifically devised with the conservation of nature and the countryside and the use and enjoyment of the countryside by town-dwellers in mind There was a statutory duty upon all Ministers of the Crown and upon all public bodies who exercised functions relating to land to have regard to the desirability of conserving the countryside's natural beauty and amenity. Advice on general and particular steps to conserve and enhance natural beauty, and to ensure suitable public access to it, came from powerful independent commissions appointed and paid by the Government Another public body, the Nature Conservancy, provided scientific advice on the conservation of natural flora and fauna. Government grants were available to cover the cost of providing public amenities, both in the national parks and in the countryside generally, and it was the policy of the Forestry Commission to grant public access to their forests where appropriate. The highest importance was also attached to the work of innumerable voluntary societies, such as naturalists' societies

Mr. Crosland spoke of the increasing interest in combating environmental pollution. Britain's modern system of control over pollution had developed over the last hundred years and some notable improvements had been made recently; but 'now we are taking matters further,' he said 'My own appointment as Minister with overall co-ordinating responsibility for the fight against environmental pollution, and the decision to appoint a high-powered Royal Commission to advise the Government [see 2.1 70 pp 22-3 and this issue p 328], are evidence of the determination we have to make Britain cleaner and to collaborate fully with every other country which will join us in the fight '

Emphasising that setting up an organisational framework for planning control and conservation did not in itself solve any problems, Mr Crosland said that a reasonably comprehensive and coherent framework did make it easier to act effectively The framework of organisation, law and political process which suited one country would not necessarily be the most suitable in another, but the British Government accepted 'to the full that in all these fields, and certainly including the field of conservation there must be great benefit in the exchange of knowledge, skill and experience between countries. We are participating in international exchange of this sort over a very wide range. . . . We intend to maintain and, where necessary, strengthen our participation, from which we obviously benefit as much as any other country.' Mr. Crosland warned, however, of the dangers of duplicating work already being undertaken or contemplated by other international bodies, and thereby misusing scarce professional knowledge and skills. 'I therefore recommend that at the end of the conference the secretariat should be invited to . . ascertain how far [other international] bodies may be engaged, or may intend to engage, in activities in related fields, and to report their findings to the Council of Ministers.'

The Declaration

Following the discussions, the Strasbourg conference adopted, on 12th February, a *Declaration on the Management of the Natural Environment of Europe*. In a speech welcoming the declaration, Lord Kennet, Joint Parliamentary Secretary at the Ministry of Housing and Local Government, affirmed that Britain would continue to play a constructive part in the work on the technical, legal and economic aspects of the campaign against environmental pollution. This work must go forward as appropriate ' in the Council of Europe, in the OECD, in the Economic Commission for Europe, in the European Economic Community, through the proposals for technological co-operation associated with the name of Professor Aigrain [see 13 2 70 p. 153], in the WHO and FAO . . . and overall, of course, in the United Nations itself, which in 1972 is to gather up all the threads at a special conference in Stockholm. There is much co-ordination to be done here, as our declaration states, and I am sure that the Council of Ministers will, with the help of the secretariat, find the best way of discussing with these other organisations how this co-ordination can be jointly effected.'

The Main Points

The conference declared

(1) Rational use and management of the environment must have high priority in national government policy and be adequately financed. Clear ministerial responsibility must be established for the planning and use of land and other natural resources and the conservation of nature.

(2) Policies should be strengthened or introduced to control pollution of air, water and soil and internationally-agreed standards for those purposes should be devised as soon as possible.

(3) Legislation and regulations introduced to safeguard the environment and its quality should be harmonised to the extent necessary at European level.

Some guidelines for future European conservation policy were set out in 30 recommendations for the consideration of and action by international organisations, central and local government, industry and the individual.

International. The conference further declared that any proposed policies and measures could not be effective unless governments strengthened, developed and co-ordinated their co-operative efforts within existing international organisations. To this end the conference urged the Council of Ministers to convene as a matter of urgency a European ministerial conference to promote the harmonisation of national legislation relating to the environment, to review the work of the existing European inter-governmental organisations and request them to take steps to secure international standards of pollution control for European industry, and to examine the proposal for a European authority to guide and supervise the management of the natural environment and the possibility of creating a European fund for combating pollution. The conference also proposed international youth exchanges and seminars on the environment and the drawing up of a protocol to the European Convention on Human Rights guaranteeing the right of everyone to enjoy a healthy and unspoiled environment.

National. In 19 recommendations the conference called on governments to promote and improve environmental planning, management and research, to combat pollution, to protect areas of natural beauty or special scientific or cultural interest, to reclaim derelict land, to promote education and training in environmental management and pollution control, and to encourage the work of voluntary bodies.

Local Government, Industry and the Individual. The conference affirmed the overriding role of regional and local authorities in the management of the environment and invited local authorities to define common principles for guiding their activities on the basis of a report presented to the conference by the delegates of the Consultative Assembly of the Council of Europe and the European Conference of Local Authorities. Recognising the importance of co-operation between both sides of industry, the public authorities and conservationists, the conference called on industry to use all practicable means to reduce pollution and depredation of the environment. The conference emphasised the part which individuals could play by their support for voluntary bodies and by joining together to combat specific local instances of pollution and landscape deterioration. The conference believed that the citizens of Europe 'should recognise that the fulfilment of their legitimate desire for a better environment is largely dependent upon their keen and practical interest in its improvement [and] should be ready to pay the costs of conservation'

CONTROL OF POLLUTION IN BRITAIN

Recent steps to improve control of environmental pollution in Britain are recorded below.

Royal Commission's First Meeting

A standing Royal Commission on Environmental Pollution has been set up with terms of reference as stated by the Prime Minister in a parliamentary answer on 11th December [see 2.1.70 p. 22]. The membership of the commission was announced in a parliamentary answer on 17th February (*Hansard*, col. 98) and the commission held its first meeting on 25th February to discuss its programme. The chairman is Sir Eric Ashby

In his opening remarks to the meeting, Mr Crosland [see 24 10 69 p 922] said that he doubted whether any Royal Commission of the past had ever been asked to tackle such a wide-ranging group of problems as those falling within the terms of reference of the present one. Nor could he imagine any which were of greater present importance throughout the world.

Advisory Council on Noise

Mr. Crosland stated in a written reply in the House of Commons on 24th February (*Hansard*, col. 301) that, in accordance with the Prime Minister's announcement of 11th December 1969 [see 2.1.70 p. 23], he had established an Advisory Council on Noise. The council would have the following terms of reference:

'To keep under review the progress made generally in preventing and abating the generation of noise, to make recommendations to Ministers with responsibility in this field and to advise on such matters as they may refer to the Council.'

Mr. Crosland said that he, or another Minister would take the chair at meetings of the council, which would be one of a number of organisations working in the broad field of environmental pollution on which the standing Royal Commission on Environmental Pollution would be responsible for general advice. Mr. Crosland, as Secretary of State for Local Government and Regional Planning, would have general responsibility and would be assisted by a permanent central unit consisting mainly of scientists to assist him in his co-ordinating role.

Departmental Ministers would continue to exercise their statutory responsibilities under the broad direction of the Secretary of State.

The council included, said Mr. Crosland, members with wide-ranging general experience, as well as others with expert knowledge of all aspects of the noise problem. It should thus be well equipped to make a practical and effective contribution in this field.

External Affairs and Defence

China: Detained British Vessels. The Foreign and Commonwealth Secretary, Mr. Stewart, said that the British Chargé d'Affaires in Peking on 11th March had expressed grave concern to the Chinese authorities over the detention of the master of SS *Anchises* in Shanghai on 1st March and of the master and crew of the SS *Glenfalloch* on 9th March.	*Hansard*, 12.3.70 cols 1568-9
Legal Co-operation with the Netherlands. A convention providing for the reciprocal recognition and enforcement of judgments supplementary to agreement signed on 17th November 1967 [see 15.3.68 p. 293].	Cmnd. 4278 HMSO, 1s 9d
Compulsory Settlement of Disputes. Convention on Special Missions with resolution on the settlement of civil claims, adopted by the UN General Assembly on 8th December 1969.	Cmnd 4300 HMSO, 2s 3d
Mauritius 1967.	HMSO, 25s
Seychelles 1967 and 1968.	HMSO, 8s
Gilbert and Ellice Islands Colony 1968, [including Central and Southern Line Islands].	HMSO, 10s
Britain and the United Nations.	COI, RF P 5028/69
Arms Control and Disarmament.	COI, R(SN) 5876/70

Economic and Scientific Affairs

Nepal: East-West Highway. Account of progress made so far on the part of the highway being built by Britain and the value of British equipment used	*Hansard*, 10.3.70 cols 1105-6
Films Bill, second reading in House of Lords, extending for a further ten years the support the film industry requires to enable it to compete in the international field.	*Hansard* [HL], 12.3.70 cols. 923-9
European Gas Centrifuge Process. Tripartite interim agreement between Britain, the Federal Republic of Germany and the Netherlands on security procedures and exchange of classified information [see 28.3.69 p. 318 and 30.1.70 p. 118].	Cmnd 4316 HMSO, 2s
Singapore. Treasury Minute, dated 12th March 1970, relative to the gift of certain fixed assets and equipment, valued at up to £9·6 million, to the Government of Singapore.	Cmnd. 4318 HMSO, 6d

Malaysia. Treasury Minute, dated 12th March 1970, relative to the gift of certain assets and equipment, valued at up to £9·55 million, to the Government of Malaysia. — Cmnd. 4319 HMSO 6d

Notes on Science and Technology in Britain — COI, R.5476

No 6 Hovercraft
No. 13 Interferon—Anti-Viral Agent
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No. 40 Fast Breeder Reactor
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Social and Cultural Affairs

Future Structure of the National Health Service Green Paper, Department of Health and Social Security (see pp. 316-21) — HMSO, 5s

Suggestions and Complaints in Hospitals Report of the Working Party Scottish Home and Health Department (see pp 321-2) — HMSO, 5s 6d

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Wales

LOCAL GOVERNMENT REFORM. NEW PROPOSALS

Local government in the more heavily populated areas of south Wales should consist of three large unitary authorities based on the cities of Cardiff, Newport and Swansea, according to revised Government proposals published in a recent White Paper *Local Government Reorganisation in Glamorgan and Monmouthshire* (HMSO 4s). The new proposals, which relate solely to the present geographical counties of Glamorgan and Monmouthshire, amend earlier ones contained in the 1967 White Paper *Local Government in Wales* [see 4.8.67 p. 769].

Background to the Proposals

The structure proposed in 1967 for the area would have separated the administration of Cardiff, Newport and Swansea, as county boroughs, from that of the surrounding counties of Glamorgan and Gwent. In October 1969 the Secretary of State for Wales decided to review these proposals in the light of further consultations with local authorities and in the light of the opinion of the Royal Commissions on Local Government in England and Scotland that the administrative division between town and country should be ended. During the course of the review it was decided that the nature of the area made it unsuitable for administration by one large metropolitan authority (as proposed for five areas of England see *Reform of Local Government in England*, 13.2.70, p. 137). In the Government's view the most suitable form of administration to provide efficiently for planning, transport, education and housing was a small number of single-tier authorities each combining urban and rural areas.

The New Proposals

The number of unitary areas proposed in the new White Paper for Glamorgan and Monmouthshire was determined as the result of a geographical and social survey carried out by the Welsh Office. Because of the physical character of the terrain an elevated plateau cut by steep-sided north-south valleys leading down to a coastal plain communications and social and economic links tend to follow the lines of the valleys leading south to the plain and, in particular, to the major ports of Cardiff, Newport and Swansea. A social survey confirmed that these three cities are the chief magnets for employment and shopping activities for people living in surrounding areas. The Government therefore decided that the creation of three unitary authorities based on Cardiff, Newport and Swansea was the best form of local government for the area. The new authorities will have responsibility for the provision of all local government services as in the case of the unitary areas proposed for England.

The Future Framework

The 1967 proposals for local government reorganisation in the rest of

Wales remain unchanged (except for one modification[1]). They now provide for a two-tier system with four counties (Clwyd, Gwynedd, Powys and Dyfed) replacing the present 11, and 20 districts replacing 117 non-county boroughs and districts. Pending the report of the Commission on the Constitution [see 28.2.69 p. 234] no new proposals are put forward on the question of regional government for Wales. It is hoped to introduce comprehensive legislation to embody the new plans for local government throughout Wales at the earliest practicable opportunity.

FUTURE STRUCTURE OF NATIONAL HEALTH SERVICE

A Green Paper containing proposals for the reorganisation of the National Health Service in Wales was published on the 17th March. In a foreword, Mr. George Thomas, Secretary of State for Wales, said that the general principles of organisation followed those proposed for England in the Green Paper published by the Secretary of State for Social Services [see 27.3.70 p. 316] The broad objectives for the advancement and improvement of the health service were the same in both countries, said Mr. Thomas. The public would expect similar standards and similar procedures for obtaining services, and the professions were organised on an England-Wales basis But there were important differences between the two countries, and a policy of administrative devolution to Wales was in progress; it was in keeping with this policy that decisions affecting Wales and the Welsh people should be taken within Wales

As in England, the health service would not be administered by local government but by area health authorities directly responsible to the Secretary of State and closely associated with local authorities The Government had decided on the administrative boundary between the health services and the public health and personal social services which would continue to be administered by local authorities The number and areas of the new health authorities would, in general, match those of the new local authorities which would result from the reorganisation of local government in England and Wales [see 13.2.70 p. 137 and above]

Area Health Boards

It is proposed to place the unified health services under area health boards Each area would be identical in size with one of the new local authority areas to be set up when local government in Wales is reorganised There would thus be seven area health boards, one each for the proposed counties of Clwyd, Dyfed, Gwynedd and Powys and one for each of the three unitary areas into which the existing counties of Glamorgan and Monmouthshire would be divided Apart from Powys, which had a scattered population of less than 120,000, all of these areas had a population of over 200,000. The membership of the area boards would be 20-25 of whom one-third would be appointed by the health professions, one-third by the local authorities and one-third by the Secretary of State for Wales. Because of the association of the Welsh National School of Medicine with the hospitals in the Cardiff and East Glamorgan area, arrangements would be made for the University of Wales to be represented on that area board.

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[1] In November 1968 the Secretary of State for Wales announced his decision to create two new counties in north Wales instead of the one proposed in the 1967 White Paper The present counties of Anglesey, Caernarvonshire and Merioneth would together form the county of Gwynedd, while the counties of Flintshire and Denbighshire would form a new county to be known as Clwyd (*Hansard*, 21.11.68 col 326)

District Committees

The Green Paper proposes that there should also be district committees of the area health boards as in England. Half their membership would be drawn from the area boards and half from other people living or working in the district, so that the local community could be identified with running the health service.

Line of Responsibility

The proposed area health boards and district committees were designed to provide a good managerial framework with a direct line of responsibility from the Welsh Office to the area health boards, says the Green Paper. Since there would be only seven area boards it was not proposed that there should be a regional organisation as in England. But the proposals in the Green Paper should not pre-empt suggestions which might be made by the Commission on the Constitution [see 8 11 68 p. 1040]. There was already in existence the advisory Welsh Council which had a health panel and the Central Advisory Council and the Hospital Advisory Service advised both the Secretary of State for Social Services and the Secretary of State for Wales on matters of common interest.

There would no longer be a need for regional hospital boards, and the Welsh Hospital Board would cease to exist.

Staffing

Area health boards would be the employers of all staff directly employed in the health service Rates of pay and conditions of service would continue to be settled on an England-Wales basis

Consultation and Future Action

The Green Paper concludes by saying that its proposals are published for general discussion, and copies have been sent to interested organisations in Wales. The views of voluntary bodies working in the health and welfare services are welcomed

The United Nations

TWENTY-FIFTH ANNIVERSARY

In Britain, as in many other countries, preparations are being made for the celebration this year of the twenty-fifth anniversary of the United Nations. The UN Charter was signed on 26th June 1945 by the representatives of 50 countries attending the United Nations Conference on International Organisations in San Francisco, and came into force on 24th October of that year. In July 1969 the British Government announced the appointment of a national co-ordinating committee, under the chairmanship of Sir Harold Beeley, a former British Ambassador with wide UN experience, to direct and co-ordinate the various events in Britain to mark the anniversary. The Prince of Wales is patron of the committee, and its sponsors are the Prime Minister, the Leader of the Opposition and the Leader of the Liberal Party.

On 31st October 1969 the UN General Assembly decided that a special commemorative session should be held for a short period culminating on 24th October 1970 'with the signing and/or adoption of a final document or documents'. It decided that the theme for the celebrations should be 'Peace, Justice and Progress'. To mark the anniversary the Assembly later authorised the striking of commemorative medals and the issue of commemorative stamps

Activities in Britain include the unveiling of a commemorative panel at Church House, Westminster, where the preparatory commission held its second session in 1945, and a ceremony in London on 26th June, at which the principal speaker will be Mr. Lester Pearson, former Prime Minister of Canada and chairman of the Commission on International Development which produced the recent report *Partners in Development* [see 7 11 69 pp 1004-7] It is hoped that a number of films on UN themes will be shown on television in Britain during the year. A publication suggesting ways in which local communities can mark the anniversary year is going out to all branches of the United Nations Association, a voluntary organisation which exists to support the aims and principles of the UN Charter and to publicise the work of the organisation and its specialised agencies; schools throughout Britain are being encouraged to arrange various activities to this end [1]

GENERAL ASSEMBLY : TWENTY-FOURTH SESSION

The twenty-fourth Regular Session of the UN General Assembly was held in New York from 16th September to 17th December 1969. The Assembly considered 107 items and adopted 127 resolutions. Among the matters discussed

[1] A revised edition of the COI reference pamphlet *Britain and the United Nations* (R.F.P.5028/69) has recently been issued. It describes the work of the organisation and its specialised agencies in peace-keeping, arms control and disarmament, decolonisation, aid and development, and international law, and the British contribution to this work. It shows the part which the organisation has played in many of the more important events and developments of the last 25 years

were: aspects of disarmament, including those relating to chemical and biological warfare; the peaceful use of the sea bed; economic questions, including preparations for the Second UN Development Decade, development planning, marine pollution, and the protection of the human environment; issues concerning the non-self-governing territories; and various matters concerning human rights.

Disarmament

In a resolution adopted by 104 votes (including Britain) to none, with 13 abstentions, the Assembly declared the 1970s as a Disarmament Decade. The resolution called on governments to intensify their efforts for effective measures relating to the cessation of the nuclear arms race, to nuclear disarmament and to the elimination of other weapons of mass destruction, and for a treaty on general and complete disarmament under strict and effective control.

Nuclear Weapons

The British delegation was one of 37 which abstained when the Assembly adopted, by 82 votes to none, an appeal to the Soviet Union and the United States to agree, as an urgent measure, to a moratorium on further testing and deployment of new offensive and defensive nuclear weapons systems. Britain supported resolutions calling on all nuclear-weapon states to suspend tests in all environments, and proposing a worldwide exchange of seismic data to facilitate the achievement of a comprehensive nuclear test ban.

Chemical and Biological Weapons

A resolution calling on all states to accede to or ratify the 1925 Geneva Protocol [see 1.8.69 pp 647-50 and 19.12 69 pp. 1096-7] during 1970 and requesting the Conference of the Committee on Disarmament (CCD) to present to the Assembly at its next session a report on the progress on all aspects of the elimination of such weapons, was adopted by 120 votes (including Britain) to none, with one abstention.

Other resolutions endorsed the change of name and enlarged composition of the CCD [see 24.10.69 p. 931], called on the CCD to continue its work on the draft treaty prohibiting weapons of mass destruction on the sea bed; and invited the conference to consider effective methods of control of nuclear weapons that ' maximise ' radioactive effects and to study the implications of the military use of laser technology

Outer Space

The Assembly unanimously adopted two resolutions which requested the Committee on the Peaceful Uses of Outer Space to continue to study questions relating to the definition of outer space and the utilisation of outer space and celestial bodies; endorsed the committee's recommendation for the appointment of a UN official to promote the practical applications of space technology; and urged the committee to complete the draft convention on liability for damage caused by objects launched into outer space, in time for final consideration by the Assembly in 1970. Britain was among the sponsors of a resolution, adopted by 105 votes to 9, with 3 abstentions, inviting member states to make their experience in the surveying of remote earth resources available to other members.

Peaceful Uses of the Sea Bed

Britain supported two resolutions, adopted without opposition, on the peaceful uses of the sea bed. One requested the Secretary-General to prepare a study on

various types of international machinery, particularly machinery which would have jurisdiction over the peaceful uses of the sea bed and the power to regulate, co-ordinate, supervise and control all exploitation of resources for the benefit of mankind as a whole. The other requested the Committee on the Peaceful Uses of the Sea Bed to expedite its work of preparing a statement of principles relating to international co-operation in exploration and in the exploitation of resources; the committee was also requested to formulate recommendations regarding the economic and technical conditions and rules for the exploitation of resources.

Development and Economic Matters

The Assembly instructed the preparatory committee for the Second UN Development Decade to complete its work in accordance with the timetable laid down by the Assembly in 1968; and instructed the committee to concentrate on a definition of objectives for the 1970s and on policy measures required to achieve these objectives. In another resolution the Assembly declared that the final aim of the Development Decade must be sustained economic and social development, including enjoyment of all civil, political, economic, social and cultural rights, and requested the preparatory committee to take these considerations into full account. (The preparatory committee consists of the 27 members of the Economic and Social Council and 27 other members designated for 1970 by the President of the General Assembly)

In a number of resolutions adopted unanimously or without objection, the Assembly: called for intensified efforts to meet the requirements of member states in development planning, plan-implementation, public administration and management, and for a comprehensive examination of the special problems of the least developed countries; requested the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) to accelerate its work to enable UNCTAD to make a 'timely and significant contribution' to the preparations for the Second Development Decade and to seek to resolve various outstanding issues, endorsed proposals set out in the Secretary-General's report on the proposed UN Conference on the Human Environment (to be held in Sweden in June 1972), and established a preparatory committee to assist the Secretary-General, to whom it assigned overall responsibility for organising and preparing this conference, requested the Secretary-General to undertake a programme of activities to promote effective measures for the prevention and control of marine pollution, and invited the Secretary-General to undertake a study on the feasibility of establishing an international university.

Human Rights

Combating Racial Intolerance

The Assembly unanimously adopted a resolution recommended by its Third Committee (Social, Humanitarian and Cultural Affairs) designating 1971 as International Year for Action to Combat Racism and Racial Discrimination. It approved the programme for its observance prepared by the Secretary-General and appealed to all states to intensify and expand their efforts towards the eradication of racial discrimination and other manifestations of racism. In another unanimously-adopted resolution the Assembly renewed its strong condemnation of 'racism, nazism, *apartheid* and all other totalitarian ideologies and practices'; called upon those states which had not yet done so to take immediate and effective measures to prohibit 'nazi and racist organisations' and to prosecute such groups in the courts; and called upon all states to set

aside a day to be observed each year in memory of the victims of the struggle against nazism.

Declaration on Social Progress and Development

A Declaration on Social Progress and Development, recommended by the Third Committee, was adopted by 119 votes to none, with 2 abstentions. The declaration affirms that 'social progress and development require the full utilisation of human resources' and that 'each government has the primary role and ultimate responsibility of ensuring the social progress and well-being of its people'; but social progress and development are also 'common concerns of the international community, which shall supplement, by concerted international action, national efforts to raise the living standards of peoples'. The objects set out in the declaration include the elimination of hunger and poverty; the eradication of illiteracy; and the provision of adequate housing, medical care, social security schemes and welfare services for all, and of appropriate employment under proper conditions. The declaration outlines legislative and other measures which are necessary for the achievement of these economic and social ends.

In a resolution accompanying the declaration, the Assembly decided, by 117 votes to none, with 1 abstention, that the declaration should be taken into account in the formulation of strategy for the Second Development Decade; recommended that all governments take into consideration in their policies, plans and programmes the principles, objectives and means and methods of the declaration, urged them to take its provisions into account in their bilateral and multilateral relations in development matters; and recommended that international organisations and agencies consider the declaration as an important document in the formulation of their strategy and programmes for social progress and development

In a number of other resolutions on human rights matters, the Assembly: requested the Secretary-General to prepare a comprehensive housing survey and to continue the study of the respect for human rights in armed conflicts; decided to give 'the highest priority' next year to the consideration of the creation of the post of UN High Commissioner for Human Rights and requested a study on this subject, called on all states to investigate war crimes and crimes against humanity and punish those guilty of such crimes; and requested the Economic and Social Council to call on the Commission on Narcotic Drugs to complete the draft protocol for the control of psychotropic substances not yet under international control.

Southern Africa

The Assembly condemned the Governments of South Africa, Portugal and others which continued to maintain relations with Rhodesia; called upon Britain to take measures, including force, to remove the illegal regime; drew the Security Council's attention to the need to widen sanctions against Rhodesia and extend them to South Africa and Portugal; and called for moral and material assistance to be given to the 'national liberation movements of Zimbabwe'. Voting was 83 in favour to 7 against (including Britain and the United States), with 20 abstentions. The British representative expressed regret that the wording of the resolution made it impossible for his delegation to vote for it. He felt that it would have been far better if, instead of calling for the use of force or a total economic confrontation with the states of southern Africa, all the delegations had demonstrated their unanimous condemnation of the illegal regime in Rhodesia by seeking to maintain its isolation and by making sanctions more effective.

In another resolution the Assembly condemned South Africa 'for its persistent refusal to withdraw its administration' from South West Africa, and drew the attention of the Security Council to the South African Government's

failure to comply with the council's resolution calling for withdrawal by 4th October 1969 [see 12.9.69 pp. 805-6]. The resolution was adopted by 92 votes to 2 (Portugal and South Africa); Britain was among 19 countries which abstained. In answer to parliamentary questions some weeks before the adoption of this resolution (*Hansard*, 13.10.69, cols. 26-7 and 10.11.69, written answers, col. 9), Mr. Maurice Foley, Joint Under-Secretary of State for Foreign and Commonwealth Affairs, said that the British delegation had been unable to support recent resolutions of the General Assembly and the Security Council on South West Africa, as these had, in the opinion of the British Government, been unrealistic—in one instance apparently designed to pave the way for comprehensive economic sanctions against South Africa under Chapter VII of the Charter—and could not have achieved their aim of furthering the interests of the peoples of South West Africa.

The Assembly welcomed the manifesto on Southern Africa, issued by the heads of state from east and central African countries who met in Lusaka in April 1969, and adopted by the Organisation of African Unity at its sixth conference in September [see 10.10 69 p. 889] Britain was one of 113 states which voted for the resolution; South Africa and Portugal voted against the resolution and Cuba and Malawi abstained. The chief British representative, Lord Caradon, described the manifesto as 'a constructive and imaginative pronouncement on some of the greatest issues of our time'.

A further resolution condemning South Africa for the enactment of the Terrorism Act 1967 and for its refusal to comply with Security Council resolutions calling for an end to the oppression and persecution of opponents of *apartheid* was adopted by 110 votes (including Britain) to 2 with 6 abstentions Britain was, however, unable to support two later resolutions on *apartheid* as one of these sought to invoke Chapter VII of the Charter ('action with respect to threats to peace, breaches of the peace and acts of aggression') and the other again called upon Britain to use force to suppress the rebellion in Rhodesia

Decolonisation

The Assembly adopted 12 resolutions on non-self-governing territories[1] based on the recommendations of its Fourth Committee (Trust and Non-Self Governing Territories).

Foreign Economic Interests

A resolution on the activities of foreign economic interests in the dependent territories was approved by 80 votes to 2 (Portugal and South Africa) with 18 abstentions (including Britain) The resolution *inter alia* declared that any administering power, by depriving the peoples of the dependent territories of the exercise of their rights to the territories' natural resources and the disposal of these in their best interests, and by subordinating them to foreign economic and financial interests, violated its obligations under the UN Charter; deplored the failure of the states concerned to implement the relevant General Assembly resolutions; condemned 'the exploitation of colonial territories and peoples by those foreign economic, financial and other interests which are designed to perpetuate colonial rule'; and requested 'the administering powers and states concerned whose companies and nationals are engaged in such activities to take immediate measures to put an end to all practices which exploit the territories and peoples under colonial rule . . . in particular by preventing new investments, especially in southern Africa, which run counter to the objectives of the [relevant] resolutions'.

In the Committee of Twenty-four on 28th October, the British representative

[1] Or territories considered by the committee to be non-self-governing, see later references to the West Indies Associated States and to Oman

on the committee, Mr. Shaw, said that the British delegation did not regard resolutions on this subject as directed against Britain, since there was clear proof that economic investments in the British dependencies had not hindered their decolonisation. Britain had always ensured in its territories that benefits to the community from foreign investment were substantial. Dependent territories needed all the outside investment they could attract to improve their economies, and the British Government would continue to welcome investment in its dependent territories.

Decolonisation and International Bodies

Britain was one of the countries which voted against a resolution (adopted by 76 votes to 5, with 21 abstentions) which recommended that the specialised agencies and international institutions work out, in co-operation with the Organisation of African Unity and the 'national liberation movements' proposals for assisting the peoples of Rhodesia, South West Africa and the Portuguese territories, and urged these bodies and in particular the World Bank and the International Monetary Fund to 'withhold from the Governments of Portugal and South Africa financial, economic, technical and other assistance until they renounce their policies of racial discrimination and colonial domination.' The resolution also called on the specialised agencies and international institutions to increase their assistance to refugees from colonial territories. British representatives at the United Nations have always opposed the extension of economic sanctions to countries in Southern Africa other than Rhodesia, because—as Lord Caradon told the Security Council on 20th June 1969—the United Nations lacks the resources effectively to apply these measures which would, however, seriously damage Britain's trading and balance of payments position and do the country irreparable economic harm.

Information on Non-Self-Governing Territories

The Assembly adopted by 83 votes to 3 (Portugal, South Africa and Britain), with 19 abstentions, a resolution which called on administering powers to transmit the information prescribed in Article 73(e) of the UN Charter 'as well as the fullest possible information on political and constitutional developments', condemned Portugal for its continued refusal to transmit information under Article 73(e) and deplored Britain's 'persistent refusal' to transmit such information on the Associated States. When the draft resolution was discussed in the Committee of Twenty-four, the British representative, Mr. Shaw, said that until recently the British delegation had felt able to vote for resolutions on this subject, but the present draft was discriminatory in character and inadequate in substance. Britain had an excellent record on Article 73(e) and had always had scrupulous regard for its Charter obligations. It transmitted information on all territories which had not attained a full measure of self-government and had done this particularly promptly in 1969. The British objections to the paragraph dealing with the Associated States were well known.

Small Territories

A resolution concerning 25 smaller territories, including the West Indies Associated States and a number of British dependencies, was adopted by 88 votes to 1, with 26 abstentions (including Britain). By this resolution the Assembly reaffirmed the 'inalienable right' of the peoples of these territories to self-determination and independence, regardless of the size, geographical isolation or limited resources of the territories, and reaffirmed its declaration that any attempt to disrupt the national unity or territorial integrity of the territories or establish military bases and installations in them was incompatible with the

purposes and principles of the UN Charter and strongly urged the administering powers to allow UN missions to visit their dependent territories.

In explanation of the British abstention, Lord Caradon expressed his delegation's reservations concerning the inclusion in the resolution of references to the West Indies Associated States. These states had attained a full measure of self-government within the terms of the Charter. In addition, if there had been a separate vote on the paragraph dealing with territorial disruption and the establishment of military bases the British delegation would have voted against it Mr. Shaw told the Committee of Twenty-four on 28th October that of 20 British dependencies mentioned in a sub-committee report only six had any form of British military presence; there was none, for instance, in any of the five British territories in the Pacific.

Oman

The Assembly adopted by 64 votes to 17, with 24 abstentions, a resolution on 'the question of Oman' [see 7.1.64 pp 35-8 and 21.1 66 pp 113-7] The resolution urged the United Kingdom to implement fully the 1960 decolonisation declaration and other relevant UN resolutions and recommended the specialised agencies to study the possibilities of extending assistance to meet the educational, technical and health requirements of the territory As in previous years the British delegation took no part in the vote on this resolution. When, on 21st November 1969, the Fourth Committee agreed to hear a petitioner on this subject, the British representative, Mr Alan Lee Williams, said that as Muscat and Oman was a sovereign and independent state, consideration of its internal affairs was outside the committee's competence.

Fiji, Gibraltar and the Falkland Islands

The Assembly decided to postpone consideration of Fiji, the Territory of the Afars and Issas (formerly known as French Somaliland) and Gibraltar, and approved a consensus on the Falkland Islands, which took note 'with satisfaction' of the progress of the talks between Britain and Argentina and called on both parties to continue their efforts to reach a definite solution as soon as possible.

The Associated States

By 90 votes to none, with 22 abstentions, the Assembly adopted a resolution on the six Associated States in the eastern Caribbean, under which it decided to transmit to the Committee of Twenty-four the records of the Fourth Committee on this subject. As the British Government holds that the Committee of Twenty-four no longer has any competence regarding these self-governing territories, the British delegation took no part in the vote on this resolution.

'Hijacking'

The Assembly adopted a resolution calling on states to ensure that their national legislation provide effective legal measures against any unlawful interference with, or seizure or otherwise wrongful exercise of control of civil aircraft in flight, by force or threat of force. The Assembly also urged states to ensure the prosecution of 'hijackers'; urged full support for the efforts of the International Civil Aviation Organisation to prepare and implement a convention to make the unlawful seizure of civil aircraft a punishable offence; and invited states to ratify or accede to the Tokyo Convention on offences and certain other acts committed on board aircraft. Britain was one of 77 members which voted in favour of the resolution; Cuba voted against it, and 18 delegations, most of them from Eastern European or Arab countries, abstained.

Rhodesia

The actions taken by the illegal regime in Rhodesia on 1st March, purporting to assume a republican status, were condemned by Mr. Stewart, British Foreign and Commonwealth Secretary, in the House of Commons on 2nd March. Subsequently further educational and Royal links between Britain and Rhodesia were severed or suspended and during March all the remaining countries with representation in Salisbury withdrew it, except South Africa and Portugal.

An urgent session of the Security Council was called by Britain on 6th March to deal with the new situation. It adopted on 18th March without a dissentient vote a Finnish resolution containing a number of practical and effective measures to increase the pressure on the illegal regime. Earlier disagreements in the council had, however, led to the use of the veto by Britain (and the United States) on an Afro-Asian resolution condemning Britain for failure to use force and, originally, calling for an extension of sanctions to South Africa and Portugal

'REPUBLICAN' STATUS ILLEGAL

The Foreign and Commonwealth Secretary declared in the House of Commons on 2nd March (*Hansard*, cols 11-17) that 'the purported assumption of a republican status by the regime in Southern Rhodesia is, like the 1965 declaration of independence itself, illegal'

Mr. Stewart was referring to the signature on 1st March by Mr. Clifford Dupont, the so-called 'Officer Administering the Government' of proclamations dissolving the Rhodesian Legislative Assembly and ordering a general election on 10th April. According to the provisions of the regime's 'Constitution Act', which was passed by the Rhodesian Legislative Assembly in October 1969 [see 7.11.69 pp 991-2] the dissolution of the Legislative Assembly automatically brought the new republican 'constitution' into effect on the same day, with Mr Dupont as acting president.

This latest event, Mr Stewart declared, in no way affected the British Government's determination to maintain economic sanctions and to increase their efficiency whenever possible. He pointed out that the international isolation of the regime remained a fact. No government had granted formal recognition to the regime and the great majority of governments shared Britain's view that only as a result of a return to legality could real progress be made and long-term harmony be established in Southern Rhodesia.

Legal Consequences for Regime's Supporters

The Foreign and Commonwealth Secretary stated that this further act of illegality and disloyalty had certain legal consequences for those who perpetrated it or were associated with it. It could no longer be disputed that the members and supporters of the regime were seeking to deprive the Queen of her authority in a part of her dominions. He recalled that at the time of the illegal declaration of independence (in November 1965) the Governor had called upon public servants in Rhodesia to refrain from acts which furthered the rebellion but, subject to that, to carry on their normal tasks. It was now clear that some members of the public services, including the Rhodesian courts (as became apparent from a judgment in the Appellate Division of the High Court in September 1968, *see* 25.10.68 p. 980), had joined the rebellion. Further, he said, the former Governor's injunction had now lapsed and those who continued to serve a regime which asserted illegally that Southern Rhodesia was a republic —like those appointed by the regime since 1965—could not be regarded as

serving the Crown in Southern Rhodesia. In the view of the British Government, this change in the status of those public servants must have consequences for the functions they performed and for the validity of acts done in the performance of those functions.

Support for Sanctions

Referring to the effectiveness of economic sanctions against the regime, Mr. Stewart said that notice should be taken that the sanctions policy had the full support of countries throughout the world, with one or two notorious exceptions; that it had had grave results on the gross national product in Rhodesia [see 7.11.69 p. 993], and that it had created a situation in which the illegal regime had had to make it what they called a 'criminal offence' to tell the truth about the economic situation in Rhodesia.

Eleven Countries Withdraw Consular Representation

An important immediate effect of the regime's purported declaration of a republic has been the withdrawal of their representation by all the 20 countries —except South Africa and Portugal—who had maintained since 1965 some form of consular representation in Rhodesia. By 2nd March (*Hansard*, 2.3.70 col. 17) Australia, Britain, Canada, Finland, Japan, Sweden and Turkey had completely closed down their missions in Salisbury, and Switzerland and the Federal Republic of Germany had withdrawn their consular officers but had continued to maintain administrative officers. In addition Belgium and Denmark had withdrawn their career consular officers leaving honorary consuls in charge.

Eleven of the remaining 13 countries which still maintained some form of representation in Rhodesia finally severed their remaining links during March, as a direct result of the regime's assumption of republic status. These were: Denmark, Norway, the United States, France, Italy, Switzerland, the Federal Republic of Germany, Austria, Greece, Belgium and the Netherlands. Portugal and South Africa have retained their representation in Southern Rhodesia. The South African Foreign Minister, Dr. Muller, announced on 10th March that South Africa's consular representation would not be withdrawn and added that relations with Salisbury were to remain unchanged

On 13th March the United States representative told the UN Security Council that his country had always considered the Smith regime in Rhodesia illegal, and that its 'purported assumption of a republican status' could not lend 'any air of legitimacy' to it. 'We have not recognised and we have no intention,' he declared, 'of recognising the illegal regime in Salisbury.'

British Links Broken

The suspension of Royal links with the Rhodesian armed forces and police, announced on 13th March, included the right of the Rhodesian Air Force and the Rhodesia Regiment to use the prefix 'Royal', the Queen's Honorary Colonelcy of the Rhodesia Regiment and the Queen Mother's position as Honorary Commissioner of the Rhodesian police force (the British South Africa Police).

During March links between British universities and the multi-racial University College in Rhodesia (at Salisbury) were also affected. Lord Shepherd, Minister of State, Foreign and Commonwealth Office, stated in the House of Lords on 10th March (*Hansard* [HL] cols. 690-92) that up to 1964 special British Government grants were made to assist the University College. The last such grant—of £750,000 in 1964—had been spent in full by 1967 and no further grant was contemplated. The University College remained, however, under a Royal Charter though, he suggested, the position might require review

if the provisions of the charter were to be broken by any of the authorities in Rhodesia. Students at the University College (which cannot grant its own degrees) sit for external degrees of London University in general subjects and of Birmingham University in medicine. London University announced on 11th March that it would not issue degrees to students at the University College after November 1972. On 18th March the Senate of Birmingham University decided to withdraw sponsorship of the University College's medical school, though efforts will be made to safeguard the future of the students now enrolled at the Salisbury medical school. Sponsorship was withdrawn because of a recent decision by the Rhodesian authorities which would introduce racial discrimination in the teaching hospitals at Salisbury.

SECURITY COUNCIL ACTION

The UN Security Council met on 6th March 1970 at the urgent request of Britain to consider the situation arising from the purported assumption of republican status by the Rhodesian regime.

The British Resolution

The British representative, Lord Caradon, introduced a draft resolution which, after condemning the illegal acts of the 'racist minority regime' in Southern Rhodesia, including its purported assumption of republican status, called on the Security Council to decide that all member states of the United Nations should 'refrain from recognising this illegal regime or from rendering any assistance to it' and urge states not members of the United Nations to act accordingly. Lord Caradon said that recent statements by African leaders about the action of the Rhodesian regime had raised many issues. But they had been unanimous on the issue of recognition. The illegal regime wanted more than anything else to be recognised, as it knew well that without international recognition it could not escape from the isolation into which it was slowly sinking. 'In the long haul,' he declared, 'it has no hope without recognition.' The British representative urged the council to act immediately and unanimously to decide that member states of the United Nations should not recognise the regime This action would in no way hinder subsequent consideration of the other issues.

The Zambian representative, Mr. Muuka, said that the Council of Ministers of the Organisation of African Unity (OAU) had just met in Addis Ababa to discuss Rhodesia and had authorised the Foreign Ministers of Zambia, Algeria and Senegal to come to New York to take part in the council's meeting on Rhodesia.[1] The Security Council then adjourned to allow the African Foreign Ministers time to come to New York.

The Afro-Asian Resolution

When the Security Council met again on 11th March the Zambian Foreign Minister, Mr. Moto Nkama, who spoke also on behalf of the OAU, said the British draft resolution was inadequate. The council must take a more urgent

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[1] The OAU Council of Ministers on 3rd March passed a resolution, which, *inter alia*, vigorously denounced the announcement of a republic by the regime in Rhodesia; condemned the British Government for 'refusing to use force as the only means to establish legality in Zimbabwe' (Rhodesia); called upon all states to break off any relations whatsoever (including communications) which they might still have with the Salisbury regime, reaffirmed the council's conviction that the use of force was the only way to restore the legitimate rights of the people of 'Zimbabwe', and authorised the three named Foreign Ministers to press the Security Council to demand that Britain use force against the illegal regime under the provision of Chapter VII of the UN Charter [for the provisions of the chapter see 12.9.69 p. 803 footnote].

course of action in view of the failure of the sanctions policy and the council's failure hitherto to take all the measures necessary under Chapter VII of the UN Charter to meet the situation. The specific requests which he had been empowered by the OAU to make to the Security Council were in keeping with the purposes to which all members of the council had publicly subscribed. They called for the condemnation of the regime; the severing by all states and by the specialised agencies and organs of the United Nations of all relations with the regime; the provision of moral and material assistance to the 'Zimbabwe Liberation Movement'; the use by Britain of all means 'including the use of force' to bring an end to the rebel regime; and for steps to be taken by the council under Chapter VII to make South Africa and Portugal respect and comply with the council's decisions.

A draft resolution, which was submitted on 12th March by the Syrian representative on behalf of the Afro-Asian members of the council, called on the Security Council, acting under Chapter VII of the Charter, to take action on the lines asked for by the OAU. The draft resolution condemned 'the persistent refusal' of Britain as the administering power 'to use force to bring an end to the rebellion in Southern Rhodesia.' It also condemned the assistance given by Portugal and South Africa and other 'imperialist powers' to the illegal regime and demanded 'the immediate withdrawal of the troops of the South African aggressors from the territory of Zimbabwe.'

During the ensuing debate the representatives of the USSR, Burundi, Nepal, Poland, Senegal, Pakistan and Yugoslavia all spoke in support of the Afro-Asian draft, while the French and United States representatives on the other hand supported the measures called for in the British draft resolution

Lord Caradon, speaking on 17th March, restated the British Government's position on the use of force. He pointed out that it was an extraordinary misconception to compare the situation in Rhodesia to that in other British colonial territories where force had been used in the past to deal with disorder or violence. There had never been British troops or officials in administrative authority in Rhodesia since its formation as a self-governing colony in 1923 Rhodesia had, in these respects, been self-governing with its own forces for over half a century It would not be a question of taking local action to maintain order, but a question of an invasion in the middle of a continent a question of starting a war which could easily escalate It should not be regarded as strange or even unusual in the Security Council (with its responsibility for the maintenance of peace and security) when Britain defended her opposition to starting a war

Turning to the proposal for sanctions against South Africa and Portugal, Lord Caradon quoted his statement to the General Assembly's Special Political Committee on 1st December 1965 in which he had pointed out that, 'We must accept the fact that in the circumstances of South Africa anything less than a major economic and strategic blockade would fail to achieve the desired result. We must accept the fact that as far as my country is concerned it is impossible at present to go beyond the arms embargo which we have already imposed. We must accept the fact, moreover, that a full campaign of economic sanctions backed by a blockade would require resources beyond the present capacity of this organisation.'

In spite of urgent requests from both the United States and Britain for a short delay to allow further consultation, the sponsors of the Afro-Asian draft resolution insisted on immediate votes on both draft resolutions on 17th March.

The British draft resolution was rejected, with 5 votes in favour (Britain, China, France, Nicaragua and the United States) and 10 abstentions. The Afro-Asian draft resolution received 9 votes in favour (Burundi, China, Nepal, Poland, Sierra Leone, Spain, Syria, USSR and Zambia), 4 abstentions (Colombia,

Finland, France and Nicaragua), and 2 against, Britain and the United States, and failed as a result of their negative votes as permanent members of the council [1]

Finnish Resolution Adopted

Earlier in the debate, on 13th March, the Finnish representative, Mr. Jacobsen, had said that all members supported the British Government's condemnation of the latest illegal act of the Rhodesian regime but Finland considered that this step was not enough. The Security Council should respond to African appeals for further measures. At the same time it was essential to restore the unity of the council in dealing with the problem. Until June 1969 [see 18.7.69 pp. 617-18] every resolution on Rhodesia had been adopted unanimously by the council. It must act unanimously again since divisions only encouraged Mr. Smith and his supporters. Subsequently, on 18th March, Mr. Jacobsen tabled a draft resolution which incorporated the substance of the British proposals by condemning the illegal proclamation of republican status of the territory by the illegal regime and by deciding 'that member states shall refrain from recognising this illegal regime or from rendering any assistance to it.'

Under other operative paragraphs of the draft, the Security Council (acting under Chapter VII of the UN Charter) called upon member states 'to ensure that any act performed by officials and institutions of the illegal regime' should not be accorded any recognition by the competent organs of their state; condemned the policies of South Africa and Portugal in continuing to have relations with the illegal regime; demanded the immediate withdrawal of South African police from Southern Rhodesia, and decided (in accordance with Article 41 of the UN Charter) that member states should immediately sever all relations with the illegal regime, terminate any representation they might have there and 'immediately interrupt any existing means of transportation to and from Southern Rhodesia.'

The resolution further requested member states to take all further possible action under Article 41 to deal with the situation in Southern Rhodesia and called upon member states to take action to suspend any form of membership by the illegal regime in the UN specialised agencies or any other international or regional organisations. States not members of the United Nations were urged to act in accordance with the provisions of the resolution. The resolution also requested the UN Secretary-General to report on the progress of the implementation of the resolution (the first report to be made not later than 1st July 1970) and authorised the council's own committee on sanctions to examine his reports.

The Finnish draft resolution was adopted by the council on 18th March by 14 votes in favour to none against, with one abstention (Spain). The British representative, speaking after the vote, thanked the representative of Finland for his efforts in bringing about an agreement and the African and Asian members of the council for 'their readiness to negotiate in such good spirit with good result today.' He also explained that in his Government's view the paragraph of the resolution on interrupting means of transportation to Southern Rhodesia referred to road and rail transport, as air transport had been dealt with in an earlier resolution.

Statement by Mr. Stewart

Speaking in the House of Commons on 19th March (*Hansard*, cols. 615-22), the Foreign and Commonwealth Secretary, Mr. Stewart, said it was always a matter for regret to have to cast a veto in the Security Council but the British

[1] The veto has now been used 115 times in the Security Council: 105 times by the USSR; 4 times by France (during the Algerian war); 4 times by Britain (twice in 1956 during the Suez crisis, once in 1963 over Rhodesia and once as above); once by the United States (as above) and once by China.

Government had consistently made known its opposition to the use of force and to the extension of sanctions to South Africa and Portugal. The final resolution, however, contained a number of practical and effective measures to increase the pressure on the illegal regime and the Government would, of course, be taking appropriate steps to implement the resolution where these were required. The final vote, Mr. Stewart pointed out, was a clear indication that the world was not prepared to condone the rebellion

Britain and the EEC

PARLIAMENTARY DEBATES

The White Paper *Britain and the European Communities. An Economic Assessment* [see 13.3.70 pp. 247-55] was debated in the House of Commons on 24th and 25th February (*Hansard*, cols. 996-1338) and in the House of Lords on 17th and 18th March (*Hansard* [HL], cols. 998-1216). Both Houses took note of the White Paper without a division.

Improved Prospects for Negotiations

The Secretary of State for Foreign and Commonwealth Affairs, Mr. Michael Stewart, said that British policy remained unchanged. ' We have made our application, it stands, we press it, we desire that negotiations should be opened, and we are anxious that they should succeed '. But the situation in Europe had changed considerably. There were different governments in France and Germany, there had been changes in currency parities, and a transformation in Britain's economic situation. The EEC countries had announced their intention of completing, strengthening and enlarging the Community and had settled financial arrangements for the Common Agricultural Policy.

The Government had stuck to its policy, rejecting temptations to pursue alternative courses, and it would be wrong to change that policy now when the conditions were so much more favourable.

The Leader of the Opposition, Mr. Edward Heath, said that when he was negotiating, the Community was ' still in a frenzied state ', whereas now it had strength and confidence and could be more flexible

Limitations of the Economic Assessment

The White Paper was unavoidably a short-term assessment and even so was subject to limitations, Mr. Stewart said. It involved a wide range of assumptions and the situation was one in which ' the more one attempts to give a truthful picture, the less precise, necessarily, one must be '. The question to be answered was: ' What will be the comparison in five or ten years' time between the position of this country inside the Community and the position if it still stayed out? ' Denying that the White Paper meant that there was any vacillation on the part of the Government, Mr. Stewart said: ' We believe with good reason that the Six want to see us enter the EEC. We desire them to understand what our anxieties are, what the costs might be, where we shall need their help and their understanding—and this, to judge from the informed continental comment, the White Paper has managed to achieve.'

Mr. Maudling, the Deputy Leader of the Opposition, said that the Government were right to try to work out the figures, but when they found that it could not be done they should have said so.

Mr. Heath made three main comments: there was a failure to provide clear and detailed explanations of the assumptions on which many of the calculations were based, to provide suggestions for Community solutions to the problems which arose, or to provide a clear view of the criteria by which any negotiated arrangement could be judged.

The Prime Minister, Mr. Wilson, said that there had been no political interference with the statistical exercise, and no one would say that it had been slanted. But if it had been called off there would have been the darkest and deepest suspicions. It would have been possible to make still further assumptions on what might come out of the negotiations—for example, on agricultural financing and on the period or periods of transition—but Mr. Wilson could not think of ' a more reckless or unproductive form of proceeding than for a Government White Paper to have anticipated the negotiations in this way '. In his view, the White Paper neither added to nor subtracted from the arguments of those who already felt strongly one way or the other. It was a basis for public discussion of the facts and the considerations so far as they were now known.

Costs and Benefits

It was not realistic, Mr. Stewart said, to judge the total cost by adding up all the most favourable or all the most unfavourable estimates. It was fully understood that there would be a transitional period, and there was no question of a sudden jump to the present maximum food prices in the EEC. Prices and earnings were rising in any case- the former by about 33 per cent in Britain and about 30 per cent in the EEC over the period 1960-68, the latter by about 62 per cent in Britain and a higher percentage in EEC countries (e.g. Germany, 82 per cent) over the same period Mr. Stewart did not argue that the substantial increases in real income involved were due solely to membership of the Community, but ' it is important that if we weigh up the increases in the cost of living we must also weigh up increases in the standard of living'.

Mr Maudling, describing the report of the Confederation of British Industry (CBI), to which Mr Stewart had also referred, as ' an excellent one ', emphasised the enhanced competitive position of members of the EEC and said that the dangers of staying outside the Common Market must be taken into account as much as the advantages of going in

Speaking in the House of Lords debate, the Minister of State, Board of Trade, Lord Brown, also welcomed the ' robust attitude ' which the CBI had taken.

Mr. Douglas Jay took the view that joining the EEC with its present policies must be permanently damaging to a trading nation like the United Kingdom. He believed that it was far more likely than not that world food prices outside the EEC closed shop ' would fall relatively to other prices. It would be wholly imprudent to expect anything other than a permanent extra burden of about £1,000 million a year The Treaty of Rome had had little to do with growth rates one way or the other. Britain must avoid future payments' deficits in order to break out of a pattern of slow growth; and, on the evidence, ' joining the Community would certainly involve us in a heavy chronic deficit '. It would also, in the long term, narrow and not widen the total world market open to British industry.

Sir Derek Walker-Smith, a Conservative opponent of Britain's entry, said that the real message of the White Paper was that ' whereas the benefits are speculative and abstract, the detriments are solid and certain'.

Mr. George Thomson, Chancellor of the Duchy of Lancaster, drew attention to the commitment on agricultural reform to limit expenditure, which the Six had undertaken at their summit meeting at The Hague; and to the European Commission's report for 1969, which had emphasised that the recent agreement ' was designed to " correct certain glaring inequalities that had been developing "

in the sphere of agricultural contributions and to "ensure that the financial burdens were allocated in a way which corresponds more closely with criteria based on the national product of each member state". '

Mr. Heath said that the arrangements for the enlarged Community must be such as to benefit all its members. He believed that agricultural expansion could be much greater than was projected in the White Paper: this would save more on the balance of payments and would reduce the levies which had to be paid.

The Chancellor of the Exchequer, Mr. Roy Jenkins, dealt first with the question: 'Could we afford it?' He pointed out that it would not be until the second half of the 1970s that 'we had to bear the major brunt'. National income would be much larger by then, and current short and medium term debt repayment obligations should be well out of the way. In his view, the gap in food prices between the EEC and the rest of the world would have diminished.

Turning to the question whether 'any likely price which we would have to pay is worthwhile,' Mr. Jenkins said that if one looked at the advanced industries on which hopes of growth must depend, two things stood out. first, that they were the industries which most needed a large and unified market, and, second, that the management leaders, with few exceptions, were most enthusiastic for British entry. Replying to those who took a pessimistic view of British industry's prospects if frontiers were opened to the Six, Mr. Jenkins said that outside the EEC Britain would still have to compete with its European neighbours, but compete in less favourable circumstances.

The view that entry would require a strong balance of payments surplus for some time to come, and that this would exercise a constant restraint on growth, was in Mr. Jenkins's judgement, based on a misunderstanding of the relationship between growth rates and the balance of payments When a country had a weak balance of payments and was trying to cure it, that was often an impediment to the rate of growth. But that was quite different from saying that a strong balance of payments went with a slow rate of growth. the reverse was much nearer the truth.

Speaking in the House of Lords, Lord Brown said 'I believe that if the economic challenge of our entry is sufficiently understood, it will be met by dynamic changes in Britain which will produce results which more than offset the price which we know we shall have to pay.' In particular, Lord Brown discussed the benefits which could accrue to British industry, and the expertise in professional and financial services which Britain could bring to the Community.

Political Considerations

If Britain decided to stay out, Mr. Stewart said, the world would not stand still. Western Europe would proceed economically, legally, commercially and politically to make itself a more compact unit. If no reasonable terms could be obtained, Britain would stand by itself, as it had done before, but neither Britain nor Western Europe would benefit from that. 'A Western Europe firmly united so that it is understood in the East that we act and think together, will enable Eastern Europe to realise that there is no easy solution for it in the mere dissolution of the West, but that it must come to terms and consider what is the reasonable price to pay for that relaxation of tension between East and West on which so many of the hopes of mankind depend.'

Mr. Thomson looked to the position at the end of the century. Britain, if it remained separated from the EEC, would then be the only advanced industrial country of its size without a continental-size home market 'We can assure our economic future if we have to stay outside the EEC, but that will be a sad and tragic second best, not only for Britain but for the rest of Western Europe as well.' None of the other existing European organisations could

bring that degree of harmonisation of policies which would come inevitably from an enlarged EEC. Replying to Members who had asked questions about future political developments, Mr. Thomson said that there was no automatic obligation to any particular form of political unity by adhering to the Treaty. The present members had shown in practice that they recognised that they must proceed by consent if they were to progress. His advice was that 'we should work together on a practical basis and allow institutional forms to develop as we have so often allowed them to develop in this country to suit the work we want to do together'.

Mr. Heath said that there would not be a blueprint for a federal Europe, but that—quoting a remark made to him by Herr von Brentano—'we shall start working more closely together and achieve our aims and then perhaps within ten years we shall call in a constitutional lawyer from a university and ask him to define where we had got to'. On the question of sovereignty, he thought the great majority of the British people were prepared to accept a pooling of sovereignty in the specific terms of the Treaty of Rome. No policy in the Community, he said, had been pursued against what any member country regarded as a major interest of its own. Mr. Heath could not accept the view, sometimes put forward by those most strongly in favour of a European policy, that for Britain it means what is not meant for other members—severing all our links with the outside world'.

Mr. Jenkins reviewed the broad political considerations and Britain's role in the world since the second world war, concluding 'In the recent past, the responsibility for our exclusion has not rested with us . . . Now the responsibility is on both sides: on us, to keep our resolution; on the Community, to make tolerable the terms of our entry.'

The Prime Minister agreed with a great deal of the vision Mr. Heath had expressed, particularly with his rejection of the charge that the Common Market was likely to develop on an inward-looking basis, and with his reference to the remarkable record of the Common Market in fostering overseas aid.

Commonwealth Issues

Mr. Thomson assured the House that there would be continuous consultation with Commonwealth partners. The Government had laid special emphasis on safeguarding the long-term interest of developing countries and territories dependent on sugar exports. He repeated the commitment to seek special safeguards for New Zealand's dairy produce.

Public Opinion

It had been suggested, Mr. Stewart said, that the Government and Parliament were acting in defiance of public opinion. He had never taken the view that public policy, either of the Government or of Opposition parties, should be determined by immediately following the opinion polls. Taking the poll in which 72 per cent had answered 'no' to the question whether they were in favour of joining the Common Market, he pointed out that 67 per cent had favoured and only 28 per cent had been against negotiations; only 38 per cent had answered negatively the more complex question of the view they would take of entry if it became clear that the initial cost would be high but that they would be better off in the end. 'The majority of those canvassed, with becoming modesty, said that they were either not very well, or not at all acquainted with the arguments one way or the other'.

Mr. Maudling thought that there had been a strong and definite move of public opinion against joining the Common Market, and that 'we who believe in the importance of this country entering the Common Market have an enormous task in persuading people to see the realities and to let them know the real arguments.'

Federal Republic of Germany

CHANCELLOR'S VISIT TO BRITAIN

The Chancellor of the Federal Republic of Germany, Herr Willy Brandt, paid an official visit to Britain from 2nd to 4th March. During his visit Herr Brandt had talks with the Prime Minister and other members of the Cabinet, including the Foreign and Commonwealth Secretary, Mr. Stewart, the Defence Secretary, Mr. Healey, the Chancellor of the Duchy of Lancaster, Mr. Thomson, who has special responsibility for European affairs, and the Minister of Technology, Mr. Wedgwood Benn. Subjects discussed included East-West relations and the Federal Republic's policy of attempting to improve its relations with its Eastern neighbours, NATO and European defence, Britain's application to join the European Communities, European economic and political integration, Anglo-German and European technological and cultural co-operation, and the situation in the Middle East. On 3rd March Herr Brandt addressed members of both Houses of the British Parliament; on the following day he met the Leader of the Opposition, Mr. Heath, and later travelled to Oxford to receive an honorary degree before returning to Germany.

East-West Relations

At a dinner which he gave on 2nd March in honour of the Federal Chancellor, the Prime Minister, Mr. Wilson, spoke of their discussions on East-West relations and said of the intra-German discussions (see p. 358): 'We greatly welcome your very full presentation of the issues covered in the talks in which Germany is at present engaged '[1] In his reply Herr Brandt referred to Britain's 'political and moral support' on the question of the division of Germany and the problems arising from the situation in Berlin. 'I can assure you,' he went on, 'that our efforts to reduce the tensions which are still such a great strain on our relations with our Eastern neighbours will always remain part of the fabric of our good relations with you and our other allies This is not merely a matter of formal agreements, but a question of conviction.'

In his speech to Members of Parliament, Herr Brandt referred to the common task which lay before Britain, Germany and their allies, if, as President Nixon had put it, the seventies were to lead from an era of confrontation to one of co-operation. Of the Federal Government's policy towards the Federal Republic's neighbours in the East, he said that in beginning talks with these countries, his Government felt encouraged 'by the confidence shown by the allied governments. We need that confidence, as it gives us the backing we require, and we shall do nothing likely to jeopardise that confidence'

Earlier that day the Chancellor had spoken more fully of his Government's 'Eastern policy' when he addressed the Foreign Press Association He said 'We are trying to fill in the gulfs between us and the Eastern European countries, which I feel is an important service we can render Europe. We shall do all we can to make sure that nobody will have cause to label Germany a disturber of the peace. German foreign policy has become more consistent and less inhibited in terms of our policy for peace and *détente*. I feel this has been widely understood.

'It is in the interest of the whole of Europe that our relations with the nations of Eastern Europe should be normalised. The Federal Republic still has some leeway to make up. We want our relations with Poland and Hungary, for instance, to be as normal as those of other Western countries We have

[1] In answer to a question in the House of Commons on 2nd March (*Hansard*, cols. 1-2) the Foreign and Commonwealth Secretary said that the British Government fully supported 'the determined efforts, of the Chancellor of the Federal Republic of Germany to get on good terms with his Eastern neighbours.

started a dialogue with the Soviet Government and had first talks with the Poles. Apart from that we are trying to create a *modus vivendi* between the two German states in the interest of the people and in the interest of peace. The Federal Government hopes that its contact with the government in East Berlin will mean a step forward.'

Arms Control and the Relaxation of Tension

In his speech to the Foreign Press Association, the Chancellor said: 'Progress in our policy towards Eastern Europe could make a European security conference seem more purposeful. This includes, not least, proposals for a balanced reduction of the forces stationed on both sides of the demarcation line in Europe. The Federal Government is following the progress of the Geneva disarmament conference with great interest It has signed the non-proliferation treaty and on 17th February it submitted a comprehensive survey of the possibilities for ensuring the observance of any prohibition of bacteriological and chemical weapons. We are on the side of those who do not despair in their endeavour to reduce armaments and control arms.'

Britain, the Communities and European Co-operation

In his reply to the Prime Minister's speech at the dinner on 2nd March, in which Mr Wilson had said that Britain would enter the forthcoming negotiations on its application for membership of the European Communities 'determined in so far as it lies in our power to see them through to success, with all that means for Britain, for Europe and for Europe's voice in the world', the Chancellor said. 'I see the necessity of joint efforts to ensure that the Atlantic Alliance will remain effective and capable of development, and I see a chance for us to harmonise our international interests and responsibilities even more. But above all, we shall have to combine our efforts-- while maintaining loyalty to our partners to achieve the aim of an enlarged West European community . .

'There will be much hard work ahead of us until the enlargement of the Common Market has been realised and political co-operation of substance added to it. It is most certainly not our aim to increase the membership of an introvert club. On the contrary, an enlarged Community must make arrangements with those members of EFTA who do not, or cannot, seek membership. It must establish a sensible relationship with the United States, especially in the economic area It must be outward-looking and meet its responsibilities in international affairs and not least it must regard itself as a platform for joint efforts by its members towards practicable measures to enable Europe, which is divided by the conflict between East and West, to come together again.

'I am absolutely convinced that your country's contribution will be necessary to achieve the European system which is the aim the European Community has set itself This requires the creative impulse and world-wide experience of Great Britain, which are an essential part of the European heritage, which still has so much to give to the world. The technical problems in connection with the enlargement of the Community will claim considerable time. There will be some hard bargaining over interests, real or imaginary, but there is nothing wrong in that In the meantime we should not neglect any need for practical co-operation and political co-ordination as it arises.'

In his address to the Foreign Press Association, Herr Brandt told his audience. 'The Federal Government has always come out in favour of Britain's accession and of the membership of other countries. This is in line with the views of the majority of Germans, as all public opinion polls have shown. I personally consider the results of the summit conference at The Hague to be the most important event in foreign affairs since I came into office . In the months

ahead the Six, together with the Commission, will be making preparations for the opening of negotiations on accession. Those negotiations will involve many difficult technical problems and will not be without complications. But as long as we remain convinced that the Community must be enlarged to enable Europe to hold its own in the political, economic and technological fields, and as long as the will for enlargement remains strong, those difficulties can be overcome.'

RELATIONS WITH COMMUNIST COUNTRIES

In the past few months there have been further developments in the Federal Republic's policy of attempting to improve relations with the Soviet Union and other Communist countries [see 5.12.69 pp. 1070-72 and 16.1.70 p. 61]

On 19th March Herr Brandt met Herr Stoph, Prime Minister in the East German regime, in the East German town of Erfurt, where they held preliminary discussions, making basic statements of position, on the normalisation of relations between the two parts of Germany. They agreed to a second meeting on 21st May, to be held in Kassel in the Federal Republic.

A series of preparatory talks, from 30th January to 18th February and from 3rd to 21st March, took place in Moscow between the Federal Republic and the Soviet Union on the question of an agreement for the mutual renunciation of the use of force. The two delegations (headed by Foreign Minister, Mr. Gromyko, on the Soviet side, and State Secretary Herr Bahr for the Federal Republic) are at present reporting to their Governments; it is understood that further preparatory talks will take place in May.

An exchange of views on the improvement of relations has also taken place between Poland and the Federal Republic, in meetings in Warsaw on 5th to 6th February and 9th to 11th March; it is reported that the talks will re-open in April.

On 26th March, four-Power talks on the situation in Berlin opened, at ambassadorial level, in the Western part of the city; the talks are to be continued on 28th April.

Britain's Overseas Trade 1969

TRADE BALANCE MOVES INTO SURPLUS

According to the annual survey of overseas trade, published in the *Board of Trade Journal* of 11th March, Britain's visible trade balance moved into surplus in the second half of 1969 after being in substantial deficit in the first half of the year and throughout 1968. The visible trade balance was transformed from a deficit averaging £25 million a month in the first half of 1969 to a surplus of £8 million a month in the second half-year, on a seasonally adjusted basis and excluding payments for United States military aircraft. The deficit for 1969 was £97 million, compared with £534 million in 1968. Taking into account payments for US military aircraft and the net surplus on invisible trade, the current account as a whole showed a surplus of £366 million in 1969, compared with a deficit of £309 million in 1968. Exports rose by 14 per cent in value and 10 per cent in volume; imports showed only very small rises in value and volume.

Exports

British exports in 1969 totalled £7,338 million, an increase of £904 million, or 14 per cent, over the 1968 figure. The Board of Trade comments that although this growth was helped by the rapid expansion (about 17 per cent) in world trade during the year, the maintenance of Britain's share of world trade in

TABLE 1

BRITAIN'S TRADE 1962-69

	Exports* f.o.b. £ million	Imports† c.i.f. £ million	Volume indices 1961 = 100 Exports	Volume indices 1961 = 100 Imports	Terms of trade 1961 = 100
1962	4,062	4,628	102	103	102
1963	4,365	4,983	108	107	101
1964	4,565	5,696	111	119	99
1965	4,901	5,751	117	120	102
1966	5,255	5,949	121	122	103
1967	5,230	6,437	119	131	105
1968	6,434	7,897	135	143	102
1969	7,338	8,324	150	146	102

* Includes re-exports
† Includes US military aircraft

Source: Board of Trade.

manufactures, in contrast to the very sharp decline in its share during previous periods of rapidly expanding world trade, was an indication of the continuing beneficial effects of the 1967 devaluation. The volume of exports from Britain increased by 10 per cent in 1969.

Export prices, in terms of dollars, were some 4 per cent higher in 1969 than in the previous year, and in the last quarter of 1969 had reached a level of about 4 per cent below the prevailing level at the time of devaluation; export prices of other main manufacturing countries have increased by some 4 to 5 per cent over this period.

Imports

After a very sharp increase of some 21 per cent in 1968, imports rose in 1969 by only 5 per cent to a total of £8,137 million (excluding United States military aircraft). Most of the increase is attributed by the Board of Trade to a rise of 4 per cent in import prices, so the volume of imports grew by only about 1·5 per cent. The small rise in the volume of imports is attributable partly to the restrained growth in the home economy, reflecting the import deposit scheme and the general restraint on credit which both affected stockbuilding levels, and partly to a continuing effect of devaluation in encouraging export substitution.

Part of the increase in imports was in industrial materials higher prices, especially of metals, caused an increase in value, although volume was only slightly higher. The other main increase was in imports of finished manufactures, largely because of a rise in volume.

AREA PATTERN OF TRADE

Details of Britain's trade with the main areas of the world between 1967 and 1969 are shown in Table 2

Exports

In 1969, 39 per cent of British exports went to Western Europe, 17 per cent to North America and 28 per cent to the overseas sterling area. The proportion of exports going to the sterling area has been falling sharply for many years while Western Europe's share, particularly in the last decade, has been growing strongly. The area distribution of exports changed very little between 1968 and 1969, Western Europe increased its percentage share very slightly at the expense of North America. There was no change in the proportion of exports going to the sterling area or to the rest of the world

The two largest single markets for British exports in 1969 remained the United States (£912 million) and the Federal Republic of Germany (£416 million). There were some alterations in the pattern of the next most important markets. The Irish Republic moved into third place (£337 million) followed by Australia (£323 million), France (£313 million), Canada (£311 million), Sweden (£302 million), the Netherlands (£296 million), South Africa (£293 million) and Belgium/Luxembourg (£291 million). [For details of the trading pattern in 1968 see 14.3.69 p. 254.]

The increase of 19 per cent in exports to Western Europe was the largest rise to a major market area in 1969. The vigorous level of economic activity in most of the Continent, with many countries operating at close to capacity, created a strong import demand in practically every country. Exports to the European Free Trade Association (EFTA) increased by 22 per cent in 1969 and to the European Economic Community (EEC) countries by 18 per cent.

Exports to other countries in Western Europe were 21 per cent higher. In 1968 the upturn of the German economy was responsible for much of the growth in exports to the EEC but in 1969, despite the continued buoyancy of activity in the Federal Republic, the increase in British exports to that country (14 per cent) was less than that to any of the other EEC countries. This was partly due to sharp falls in the export of ships and cereals, exports of machinery having increased by 24 per cent. The largest increase in exports to the EEC countries was to France, whose imports from Britain rose by 23 per cent, notably in machinery and transport equipment. The largest increases in exports to EFTA were those to the non-Scandinavian members --Switzerland (35 per cent), Austria (35 per cent) and Portugal (27 per cent). Exports to the Scan-

TABLE 2

BRITISH TRADE BY AREA

£ million and percentage change on year before

	1967		1968		1969	
EXPORTS						
Sterling Area	1,564·9	4	1,808·2	+16	2,041·0	+13
Non-Sterling Area						
North America	862·8	2	1,183·1	+37	1,223·0	+ 3
Latin America	169·9	5	228·8	+35	248·4	+ 9
Western Europe	2,018·3		2,401·9	+19	2,869·1	+19
of which EFTA	*782·2*	*3*	*889·0*	*14*	*1,080·7*	*+22*
EEC	*1,043·6*	*-*	*1,295·6*	*+24*	*1,526·0*	*+18*
USSR and Eastern Europe	174·6	16	230·3	+32	231·8	+ 1
Other	439·2	2	581·6	+32	724·3	+25
Total Non-Sterling Area .	3,664·7	1	4,625·7	+26	5,296·3	+14
TOTAL ALL COUNTRIES	5,229·6		6,433·9	23	7,337·3	+14
IMPORTS						
Sterling Area	1,763·7	1	2,254·2	+28	2,407·3	+ 7
Non-Sterling Area						
North America	1,268·4	+10	1,579·5	25	1,637·3	+ 4
Latin America	292·3	4	317·5	+ 9	355·7	+12
Western Europe	2,339·7	+13	2,882·4	+23	3,031·0	+ 5
of which EFTA	*941·9*	*+12*	*1,161·8*	*+23*	*1,248·0*	*+ 7*
EEC	*1,264·4*	*+15*	*1,551·5*	*+23*	*1,610·9*	*+ 4*
USSR and Eastern Europe	253·7	+ 5	302·7	+19	332·1	+10
Other	518·9	+20	561·3	+ 8	560·2	—
Total Non-Sterling Area . .	4,673·1	+12	5,643·4	+21	5,916·4	+ 5
TOTAL ALL COUNTRIES	6,436·7	+ 8	7,897·4	+23	8,323·6	+ 5

Source: Board of Trade.

dinavian members, while still increasing substantially, grew relatively less fast; exports to Sweden, Britain's largest EFTA market, rose by 15 per cent, while shipments to Denmark, Norway and Finland rose by 20 per cent, 14 per cent, and 27 per cent respectively.

Exports to North America increased by only 3 per cent in 1969; deliveries to the United States fell slightly but shipments to Canada rose by 16 per cent. The wide divergence between the strong growth of exports to Canada and lower deliveries to the United States is regarded by the Board of Trade as one indication of the distorting effects on trade flows of the United States dock strikes. The Board points out the difficulty caused by the distortions in gauging the underlying trend in exports to the United States and in assessing the effect on British exports of the slow-down in the economy. During 1968 the stockbuilding of whisky, which accounts for about one-tenth of British exports to the United States, was particularly pronounced, and in late 1968, especially during the strike period, there seems to have been some diversion through Canada of cargoes destined for the United States, which partly reconciles the rise of exports to Canada with the fall to the United States.

Exports to Latin America rose by 9 per cent in 1969, following the large increase of 35 per cent in the previous year. Once again much of the increase was due to the steep rise in shipments to Argentina.

Exports to the Soviet Union and Eastern Europe were practically unchanged in 1969, a fall in deliveries to the Soviet Union being offset by an increase in exports to Poland.

Among the remaining non-sterling area countries there was a rise of almost a third in exports to Japan, whose economy has been expanding exceptionally rapidly. The rise in Japanese imports from Britain was greater than the rise in total Japanese imports in 1969. Exports to China almost doubled, the growth being mainly in non-ferrous metals. There was also a marked growth in exports to Israel.

Britain's exports to the sterling area grew by 13 per cent in 1969, an exceptionally large rise compared with the years before devaluation, when the average increase was less than 2 per cent. Exports to the developed countries in the area rose by 10 per cent, including a rise of 21 per cent in exports to the Irish Republic but practically no change in shipments to Australia. Shipments to New Zealand, however, were on a marked upward trend throughout the year and rose by 17 per cent overall.

Imports

The pattern of British imports by main sources of supply was much the same in 1969 as in 1968, reflecting the fact that the total volume and commodity composition was not greatly changed between the two years. Over a longer time-span, the area pattern has been changing as a consequence of the increasing importance of manufactured goods (both semi-manufactured and finished goods) and the declining share of food and basic materials. Developed countries supplying mainly manufactured goods have consequently tended to become more important sources of imports, while the shares accounted for by developing countries have tended to decline. Over the period 1959-69 the share of imports from Western Europe has risen from 28 per cent to 37 per cent, with a very marked increase from the EEC countries and to a lesser extent from EFTA The share of imports from the United States has also markedly increased, as has also the relatively small share from the Soviet Union. Correspondingly, the share of imports from the sterling area has fallen from 34 per cent to 29 per cent since 1959, and the shares from Latin America and the rest of the world have also decreased.

The slow-down in the growth of total imports in 1969 was generally reflected in arrivals from all main sources. A reduction in total was to be expected

following the exceptional growth in 1968, when the initial price effects of devaluation raised the value of imports from all areas while the distortions caused by dock strikes accentuated the change in the rate of growth from particular sources of supply. The restrained growth in the British economy was an important factor in holding down the level of imports; the Board of Trade notes that the general credit conditions and the import deposit scheme appeared especially to reduce the volume of imports of manufactured goods and hence arrivals from the more developed economies.

Imports from the sterling area were £153 million (7 per cent) more in 1969 than in 1968. This increase was well below the rate of growth of 28 per cent in 1968, a year influenced by special factors including the arrival in the early months of the year of imports—particularly of foodstuffs—delayed by the dock strikes of autumn 1967 The rise in imports in 1969 was spread mainly over imports from the larger countries Australia, New Zealand, the Irish Republic and the Republic of South Africa contributed about two-thirds of the increase but there were also substantial increases from Nigeria, Ghana and Zambia.

Imports from North America were only 4 per cent higher in value in 1969 than in 1968 when they had risen by over a quarter in value. The rise in 1969 was attributable solely to imports from the United States, imports from Canada having fallen slightly The dock strikes on the east coast of the United States in winter 1968-69 may have distorted the picture, for the year as a whole, lower tobacco imports contributed to the restrained growth from the United States.

There was little growth in imports from Western Europe until the end of the year, a 5 per cent increase overall was caused mainly by higher prices, with little change in volume Imports from the EFTA countries grew faster than those from the EEC, both relatively (EFTA, 7 per cent; EEC, 4 per cent) and absolutely (EFTA, £86 million; EEC, £59 million). About half of the increase from the EEC countries was accounted for by the Federal Republic of Germany.

Imports from the Soviet Union and Eastern Europe grew much less rapidly in 1969 than in the previous year The 1969 increase of 10 per cent (£29 million) was equal to the average rate of growth of the last decade. Imports from the Soviet Union increased by £39 million, but were partly offset by reduced imports from the rest of the East European bloc

Imports from Latin America increased by £38 million (12 per cent), of which £22 million was accounted for by increased shipments of meat from Argentina following the relaxation of the ban on such imports imposed during the foot and mouth disease epidemic in Britain in 1968. The total of imports from other countries in Latin America and from the rest of the world showed little change between 1968 and 1969

COMMODITY PATTERN OF TRADE

Exports

The changing commodity pattern of exports since 1959 is shown in Table 3.

The Board of Trade report comments that the commodity pattern of exports changed very little between 1968 and 1969; it further notes that changes over the past ten years have been only gradual and that the present pattern is broadly similar to that in 1960 Exports of scientific instruments, chemicals and 'other manufactured goods' have grown slowly in importance, primarily at the expense of the share of textiles.

Manufactured exports in 1969 accounted for over 85 per cent of all exports, about the same level as in 1968 The proportion of machinery exports in the total was over 25 per cent, easily the most important category; road motor vehicles accounted for 11 per cent of the export total, having risen by about 20 per cent over the year.

TABLE 3

COMPOSITION OF BRITISH EXPORTS 1959-69

Percentages

	1959	1960	1967	1968	1969
Engineering products	43·1	43·3	44·3	44·3	46·1
Machinery	24·5	24·5	27·5	27 2	25·5
Road motor vehicles	11·9	12·2	10·4	10 7	11·2
Aircraft, aircraft engines	4·4	3·7	3·7	4·6	4·1
Ships and boats	1·4	1·4	1 4	1 3	0 9
Professional, scientific and controlling instruments	1·2	1·3	2 4	2 4	2·4
Metals	12·9	12 6	11·8	11 7	11 4
Textiles	8·3	8 2	5 4	5 2	5·0
Chemicals	8 6	8 8	9 8	9 7	9·7
Other manufactures	12 2	12 1	14 1	14 9	17 3
Coal, coke	0 7	0 8	0 3	0·3	0·3
Petroleum products	2·8	2 9	2 3	2 4	2 1
Food, beverages and tobacco	5 7	5 5	6 6	6 5	5 8
Other	5 7	5 8	5 4	5 0	4 3

Source. Board of Trade

Exports of manufactures in 1969 rose by 15 per cent in value over their 1968 level; in terms of volume the increase was of the order of 12 per cent Exports of machinery rose in value by 12 per cent, and within this category office machines, metal working machinery and special purpose machines showed the largest increase—about 20 per cent Exports of domestic electrical equipment rose by 23 per cent and television and radio receivers by over a third

Deliveries overseas of transport equipment rose by 17 per cent, the strong increases in road motor vehicles (20 per cent) and aircraft (29 per cent) being partly offset by a fall in deliveries of ships (down 20 per cent) Exports of machinery and transport equipment as a whole rose by 14 per cent in value and 13 per cent in volume.

The value of exports of other finished manufactured goods increased by 22 per cent; exports of scientific instruments were 21 per cent higher, and clothing and footwear deliveries rose by 29 per cent

Exports of semi-manufactures grew slightly faster than exports in general. Chemical shipments rose by 14 per cent in value and 10 per cent in volume, medicinal and pharmaceutical products rose by 23 per cent in value. Exports of textiles rose by 17 per cent in value but rising prices held the volume increase down to about 11 per cent. Rising prices also affected exports of metals which were 14 per cent more in value but only 5 per cent higher in volume than in 1968.

Imports

The percentage composition of imports, by value, into Britain between 1959 and 1969 is shown in Table 4.

The Board of Trade comments that the main feature of the trend in the commodity pattern of imports over the past few years has been the continued growth in the shares of total imports accounted for by finished and semi-finished

TABLE 4

COMPOSITION OF BRITISH IMPORTS

Percentages

	1959	1960	1967	1968	1969
Food, beverages and tobacco	37 2	33 1	27·4	24·1	23·2
Industrial materials	41 5	44 8	40 6	42 1	42·7
Basic materials	23 1	23 2	15 7	15 3	15·1
Manufactures chiefly for further processing	18 4	21 6	24 9	26·8	27·7
Mineral fuels and lubricants	11 4	10 3	11 3	11 4	10 9
Finished manufactures	9 2	11 1	19·3	20 9	22·0
Miscellaneous	0 7	0 7	1 4	1 5	1 1

Source. Board of Trade.

manufactures The counterpart of these increases has been the continued decline in the share held by the food, beverages and tobacco group and by basic materials. The report notes that during 1969 the general trend was continued, with the exception of fuel imports, which eased back after some increase in the previous two years. The major part of British imports (43 per cent) continues to be in industrial materials, there was a further rise within this category in the share of semi-manufactures, while the share attributable to imports of basic materials again eased back. The food, beverages and tobacco group of imports accounted for 23 per cent of the total in 1969 but this falling proportion is fast being approached by imports of finished manufactures (22 per cent), which in 1959 were only equal to one-quarter of the share then taken by the food group.

Food, Beverages and Tobacco

Following the marked rise of 8 per cent in the value of imports of food, beverages and tobacco in 1968 there was only a small increase of 2 per cent in 1969 Whereas the rise in 1968 was mainly attributable to higher prices following the devaluation of sterling combined with a small growth in volume, the increase in 1969 reflected a further rise in food prices, partially offset by a fall in the volume of arrivals

The increase in the value of these imports between the two years was wholly in the first half of 1969, in the second half the level fell back to below the 1968 average The dock strikes in the United States in the winter of 1968-69 were responsible for the variation in deliveries from that source; after the strikes ended, the backlog of delayed goods produced abnormally high imports, particularly of tobacco, in the second quarter Thereafter, imports of these goods fell back and remained relatively steady for the rest of the year. Meat accounted for about three-quarters of the 2½ per cent increase in food imports, mainly because shipments of beef were curtailed in 1968 by the foot and mouth disease epidemic. Beef imports increased by a third in 1969, mainly from South America, but there were also substantial increases in mutton and lamb imports, although shipments of bacon showed little change. Imports of cocoa beans from Nigeria and Ghana grew by 80 per cent in volume, substantial increases were also made by cereals and animal feedingstuffs. There were smaller increases in imports of sugar and of fruit and vegetables. In contrast, tea imports were reduced in both quantity and value (down about £29 million).

Imports of beverages were also lower in 1969 after fairly large increases in both 1967 and 1968. Tobacco imports were at a high level in 1969, but nevertheless were a little lower than their very high 1968 level.

Industrial Materials

The increase in the value of imports of industrial materials accounted for nearly 60 per cent of the rise in total imports in 1969. The rise of 7 per cent in the value of these imports was divided equally between higher prices and a higher volume. Imports of semi-manufactures, particularly textiles and copper, contributed over three-quarters of the rise in value of industrial materials as a whole. The small rise in imports of basic materials was caused entirely by higher prices; the volume of imports of basic materials was 3 per cent lower than in 1968.

There was continuous growth in imports of semi-manufactures throughout 1969; while imports of chemicals remained fairly steady after a sharp increase in the second quarter following the United States dock strikes, imports of other semi-manufactures grew mainly in the second half of 1969. For the year as a whole imports of chemicals (noticeably plastic materials and chemical elements) rose by 11 per cent and those of other semi-manufactures by 8 per cent. Higher commodity prices, particularly of copper and other metals related to world shortages, accounted for the greater part of the increase of 'other semi-manufactures'. The main increases were in imports of metalliferous ores and scrap, hides and skins, crude rubber and woodpulp.

Mineral Fuels and Lubricants

There was an increase of about 7 per cent in the volume of fuel imports in 1969 but this was accompanied by a fall of almost the same amount in prices. The net effect was an increase in value of 1 per cent over the 1968 level. Prices, which had been high in 1968 because of the devaluation of sterling and higher freight charges arising from the closure of the Suez Canal, declined steadily over the year but the volume increases were concentrated at the beginning and end of the period. Within the fuels category, imports of crude oil continued to rise sharply (15 per cent in tonnage), while arrivals of petroleum products fell once again in both volume and price.

Finished Manufactures

The strong growth in the value of imports of finished manufactures weakened considerably in 1969. Growth over the year was at a rate of 9 per cent (£142 million) compared with 25 per cent in 1968 and an annual average of 16 per cent over the previous ten years. About three-quarters of the rise was the result of an increased volume of imports, prices rising by an average of only about 2 per cent over the year. The volume was affected by the United States dock strikes in 1968-69, which caused imports to fall back in the first quarter with a strong recovery after the strikes ended. There was little change in the third quarter but a large increase at the end of the year, mainly, says the report, reflecting the arrival of two large foreign-built ships.

Imports of capital goods, which account for about three-quarters of the goods in the group, were about 11 per cent higher than in 1968. the rise in imports of consumer goods was held to about 6 per cent above the 1968 level, mainly by the below-average growth in Britain's domestic economy, import deposits, and the restraints on credit. There were reductions in imports of durable goods, apart from cars and motor cycles, and some miscellaneous finished manufactures such as toys and travel goods. Imports of clothing and footwear grew substantially, although less than in 1968, the high 1968 level of car and motor cycle imports was maintained without further growth.

The Board of Trade report points out that there was little actual reduction in imports of any of the commodities comprising capital goods but these items increased far less than they had on average before 1968. Imports of machinery were £83 million higher in 1969 than in 1968, with increases being widespread in both electric and non-electric machines. Imports of aircraft and aircraft engines rose by £40 million including US military aircraft, although excluding these aircraft they fell by some £7 million. Imports of ships and boats increased moderately, as did imports of instruments and the remaining capital goods.

Import Deposits

The Board of Trade report notes the difficulty of assessing the effects of the import deposit scheme in isolation from other factors affecting the level of imports. The scheme, which was introduced in November 1968, required importers to deposit 50 per cent of the value of certain types of goods with Customs for a period of 180 days. Repayments began on 25th May 1969 and the rate of deposit was reduced from 50 per cent to 40 per cent on 5th December 1969.

During this period, many factors had an influence on the level of imports and insufficient data exists to allow an estimate of the effect of the scheme in isolation. However, the report states, import deposits appear to have affected the level of stockbuilding and contributed to the slow growth in the volume of imports during 1969.

Imports of goods effectively subject to the scheme, valued provisionally at some £2,300 million, were about 7 per cent higher in 1969 than in 1968, about half of this increase was attributable to higher prices, the volume having increased by between 3 and 4 per cent. In comparison with past trends, imports of manufactured goods (which is a broader category than goods affected by the scheme) had increased by 16 per cent in volume in 1968 and an annual average of 10 per cent in the previous decade. The Board of Trade report states that restrained growth in the home economy, the devaluation of sterling, and the general restraint on credit during 1969 would have helped to reduce the growth of these imports, but "nevertheless it seems likely that the import deposit scheme was a factor in the below-average increase in the volume of these imports last year.

Economic Assessment to 1972

ECONOMIC DEVELOPMENT COMMITTEE REPORTS

Four further reports, including one on agriculture, in a series dealing with the implications for individual industries of the projections and objectives embodied in the Green Paper *The Task Ahead* have been published by the National Economic Development Council (see 13.3.70 pp. 271-4). The reports are entitled *Economic Assessment to 1972 Industrial Report by the EDC for Electronics; Electrical Engineering; Machine Tools; Agriculture* and the principal findings and recommendations are outlined below.

Electronics

The broad objectives of the Government's economic policy, as set out in *The Task Ahead*, are the achievement of a substantial and continuing balance of payments surplus; a steady improvement in industry's competitive efficiency; and an improvement in the regional balance of the economy. In a preamble to

its report, the electronics EDC states that the 'task ahead' of the electronics industry should not be seen solely as the fulfilment of the first of these aims; through its crucial role in modernising and increasing the productive potential of the economy as a whole, the industry should also make an important long-term contribution towards enhanced efficiency.

Because electronics is a set of industrial techniques, rather than a group of products, the industry cannot be precisely defined. The report classifies it under four headings: capital equipment, including computers, radar, and scientific and industrial instruments; radio and electronic components; consumer goods, including broadcasting, receiving and sound reproducing equipment; and telecommunications equipment. Defined in this way, the industry, believed to be the fourth largest in the world, accounts for some 4 per cent of the output of British manufacturing industry and employs about 6 per cent of its labour force. The rapid pace of change in electronics has led the EDC to compile its forecasts in terms of current prices; little significance can be attached to constant prices, the report states, particularly in products like computers where, although prices have increased, improved performance has meant a considerable fall in real price per unit.

The report estimates that overall the industry's gross output has grown in recent years by about 12 per cent per annum, almost three times as fast as the average for manufacturing industry. In 1968, however, a substantially higher growth rate—some 18 per cent—was recorded. This was due to a recovery element in demand following rather slow growth in 1967, and is not expected to recur in the period to 1972.

Turning to the industry's trading position, the report says that in current price terms the visible trade balance in electronics, while remaining positive, has deteriorated since 1962, although the balance in 'other engineering and electrical goods'—the industry group of which electronics forms a part—has improved somewhat. It was suggested in *The Task Ahead* that for the attainment of the basic balance of trade target, it would be necessary for this group as a whole to increase its rate of growth of exports by half, and to reduce the growth of imports by a similar amount. The EDC's forecast for electronics is that both exports and imports will grow at similar rates of between 15 and 18 per cent a year, representing a slower growth of imports and a faster growth of exports than in the past. This implies, the report states, that although no basic change is envisaged in the relationship between exports and imports, the tendency for the balance to worsen should be averted and that by 1972 the industry's trade surplus should total about £35 million. The greater part of this improvement is expected to be attributable to the telecommunications and components sectors; elsewhere there should be little overall change, though within the capital equipment sector (the most important in relation to the industry's trade balance) there are likely to be important changes, including a continuing deterioration in the trade balance of the computer subsector.

The home market for electronic products—about 85 per cent of which originates in other industries and from the Government—is expected to grow by between 9 and 11 per cent a year to 1972, with expansion of industrial demand particularly marked. While in certain areas the shortage of skilled labour would limit the rate of growth, the EDC believes that the chief limiting factor in the forecast period will be capital. In general, the industry's factory space and manufacturing equipment is adequate to cope with the quantitative and qualitative changes in capacity required by 1972. The shortage lies, the report states, in the financial resources which must be devoted to research and development, currently costing the industry over £100 million a year. Severe price competition has limited the funds which the industry can generate from its own sales, and the EDC points to the logic, in these circumstances, of encouraging further specialisation and the concentration of production. A more selective approach is primarily the responsibility of individual firms, but the Government also

has a role to play both as a sponsor (through the Minister of Technology) and as a customer of the industry. The report states that the most immediately practicable method of improving the flow of resources would be the Government's recognition that the industry's research and development fulfils the same economic function as its capital expenditure, i.e. the provision for the future out of current resources. The EDC therefore recommends that the Government should find some way of extending the coverage of the investment grant system to include the whole of the industry's research and development expenditure.

The report also expresses concern at the effects of the present system of corporation tax, which, by making equity financing more difficult, creates an obstacle to the development of industries like electronics, many key sectors of which are growing too rapidly to be financed out of current earnings. A separate study conducted by the EDC concluded, the report states, that a substantial switch from corporation tax to a value added tax would alleviate this problem.

Besides improving the flow of resources into the industry, considerable importance is attached by the EDC to the creation of conditions favourable to growth and development in the home market. In this respect the most significant of the report's recommendations are: further action to secure full implementation by local authorities and nationalised industries of the policy outlined in the White Paper *Public Purchasing and Industrial Efficiency*; and the relaxation, at the earliest possible moment, of credit regulations on the purchase of consumer goods, particularly colour television sets.

Electrical Engineering

The electrical engineering industry, accounting for just over one-fifth of the total output of the engineering and electrical goods sector, manufactures products for three principal markets, each having widely varying characteristics. Firstly, part of the industry's output (a quarter in 1968) is sold to the electricity supply industry, which requires generating, transmission and distribution equipment. Home sales of these goods are dependent on the investment programmes of the electricity supply authorities. Secondly, about two-fifths of the industry's output was accounted for in 1968 by the industrial equipment market, including the supply of components such as motors, control gear and insulated wires to other capital goods industries. The size of the home sector of this market is determined partly by the level of fixed investment, and partly by stock adjustments. Finally, about 35 per cent of output in 1968 consisted of consumer goods, such as light motors and batteries. Exports in 1968 represented 18 per cent of the industry's sales.

The EDC assessed the prospects of each sector from 1967 to 1972. It concluded that total deliveries of the industry were likely to grow at only 0.3 per cent a year, and that this low rate was almost entirely due to a large temporary fall in orders from the electricity authorities as a result of a downward revision of estimates of capacity required by 1974-75.

Growth in the industrial motor sector, the report states, is likely to be in line with the historic trend rate, while expansion is expected for the remainder of the industrial equipment sector on the basis of the Government's assumption of increased capital expenditure in private industry. In view of purchase tax, only a small rise is expected in the demand for domestic appliances between 1968 and 1972.

Between 1963 and 1968, Britain's share of exports of electrical engineering goods from the 11 major producing countries fell from 19·5 to 13·5 per cent. During the same period, the Federal Republic of Germany and the United States roughly maintained their shares, while those of Italy and Japan almost doubled. The relatively slow growth of British exports is partly explained by the UK's reliance on Commonwealth markets, which have expanded relatively slowly in recent years, coupled with the erosion of Commonwealth Preference.

The EDC forecasts that in 1972 the industry's trade balance (its direct exports less imports of electrical equipment) will amount to £118·1 million, only marginally higher than in 1967. Little expansion is expected in overseas sales of heavy plant, but exports of industrial equipment should grow at a substantially higher rate between 1967 and 1972 than in the previous quinquennium. In addition to the industry's direct exports, it is estimated that about £50 million worth of electrical equipment (over one-quarter of direct exports) is sent overseas as part of other industrial products.

On the basis of an annual growth in output of some 0·3 per cent and continued improvements in productivity (which averaged 3 7 per cent a year in 1963-68), the report suggests a fall in the total labour force of 3·4 per cent, or some 78,000 workers, by 1972.

Stressing that in many respects the period under review is not normal or representative, and that after 1972 the industry's prospects could improve substantially, the report makes a series of recommendations designed to ease the actual and potential disturbance and change. The last few years, it says, have seen dramatic changes in the industry's structure, entailing a great concentration of management control; in turbo-alternators and heavy switchgear, for example, manufacturing capacity is now in the hands of only two firms. However, some degree of fragmentation still remains, and the EDC recommends further concentration.

The Task Ahead assumed that over the period 1967-72, industrial investment would grow at an average rate of 5·3 per cent a year The EDC doubts this, as in the foreseeable future demand for some products is certain to contract. It suggests, however, that the shortfall could be mitigated by extra incentives including: the restoration of the 5 per cent supplement to investment grants, removed after the end of 1968; reform of the present machinery for paying investment grants; and the extension of the investment grant allowance beyond plant and machinery to buildings, and to expand further assistance to research and development.

Like several of the previous EDC reports, that for the electrical engineering industry stresses the importance to factory efficiency of a stable home market and is critical both of the wide fluctuations in ordering by the electricity authorities and of the selective measures of restraint on consumer expenditure, which reduce profitability and are thus harmful to exports in the long term by restricting the finance available for investment, research and development

Machine Tools

Representing about 1 per cent of total British manufacturing output, exports and employment, the machine tool industry is the world's fifth largest producer and third largest exporter of machine tools, accounting in 1968 for 13 per cent of world exports. In its calculations of growth up to 1972, the EDC has taken 1968 rather than 1967 as a base year, since in the latter, consumption increased sharply as a result of heavy imports by the motor industry, the former year is much closer to the trend of past developments.

The report expects that by 1972 home demand will total between £165 million and £170 million (1968, £144 million) The industry is, however, subject to marked cyclical fluctuations in home demand and it would, therefore, be misleading to assume a steady increase in deliveries.

The report calls attention to the increase in the share of imports in the British machine tool market from 21 per cent in 1954-59 to 26 per cent in 1960-65. With increasing international specialisation resulting from the growing importance of more sophisticated machines, it is likely, the report says, that this figure will rise to 30 per cent by 1972, or some £50 million to £52 million of projected home demand. Correspondingly, there had recently been strong evidence of greater export orientation by British machine tool companies; 35 per cent of

total output was exported in 1968, compared with 29 per cent in 1967 and a further rise in the proportion exported was expected in 1969 on the basis of available figures. In view of this, and given the recent substantial change in the pattern of export markets (away from the relatively slowly expanding Commonwealth markets), the report suggests that in 1972 exports will total £70 million to £80 million compared with £66 million in 1968.

In general, the report says, future prospects for the product groups of the industry will be influenced by recent technological developments and the pace at which they are applied. The main areas of technical progress are numerically controlled machine tools and machining centres, precision forming methods, and electro-chemical and electro-discharge machining. Deliveries of numerically controlled tools have grown rapidly, and in 1968 accounted for 8 per cent of all machine tool deliveries compared with 3 per cent in 1966. This proportion is expected to increase to about 20 per cent by 1972.

The EDC puts the present productive capacity of the industry at £185 million, and estimates that it may rise to £210 million by 1972. Although present plans and projections indicate that this capacity, if fully used, would be adequate to meet home and export requirements, it allows no margin for improving the industry's balance of payments contribution. Moreover, anything near 100 per cent capacity utilisation throughout the industry is unlikely. Because of possible adverse effects on the creation of new capacity, the EDC supports the recommendation of the Hunt report on *The Intermediate Areas* [see 9.5 69 p. 447] that the criteria on which industrial development certificates are judged should be more widely known. In particular, the report considers that a more flexible attitude by the authorities is specially important where an extension to an existing plant will only result in a small increase in manpower, or where a company proposes to export a substantial proportion of its expanded output.

The Machine Tool Trades Association, the industry's representative body, has estimated that increases of about 3 per cent a year in the employment of skilled labour may be necessary for the fulfilment of production targets. However, much of this will have to be recruited in areas where competition for labour is already strong, and some shortages are therefore expected. Output per man in the industry has been rising rather more slowly than the annual overall rate of 2 9 per cent assumed in *The Task Ahead*, although advances are expected to result from the increased application of automated techniques The EDC points, in conclusion, to the scope which still exists for improved labour utilisation, better retraining and greater investment in labour-saving equipment.

Agriculture

The report of the EDC for agriculture is a review, in the light of subsequent experience, of the EDC's previous report published in June 1968, *Agriculture's Import Saving Role* (HMSO, 20s). The main findings of the 1968 report were that, if home production were to expand over a five-year period to the extent that the EDC considered feasible, annual gross output would rise by about 17 per cent and annual net output by 22 per cent, with further consequential increases beyond the period. There would be a net import saving of £220 million a year on completion of the expansion.

In November 1968, the Government announced its objectives for agriculture for the period to 1972-73. These were taken as the basic assumption for agriculture in *The Task Ahead* and aim at a net import saving of £160 million a year [see 6.12.68 pp. 1141-3].

The new report finds that, measured against the expansion programme, home production has not come up to expectation. Performance has been generally better in the livestock and horticulture sectors than in the arable sector, mostly because they are less affected by the adverse weather than is the arable sector. The EDC is confident, however, that home agriculture has

the potential to reach the Government's import-saving objectives and is satisfied that the continuing flow of new technology is sufficient to maintain the industry's record of rising productivity.

The EDC is satisfied that the main assumptions on which its 1968 forecast of demand was based, were sound. This forecast concluded that in 1972 the demand for food in Britain would be about 6 per cent higher than in 1966. The EDC makes certain minor reservations in the forecast demand for sugar, liquid milk, and the meat group, and draws particular attention to the growth in the demand for convenience foods which shows every sign of continuing beyond 1972.

The outflow of manpower from agriculture has been less than that envisaged in the 1968 report but is still substantial and likely to remain so Revised manpower figures, taken in conjunction with the Government objectives, suggest the need for an annual improvement in labour productivity of some 7·5 per cent for the period 1967-72. However, the failure to increase net farm output to the extent forecast (owing mainly to the foot and mouth epidemic and the adverse weather) means that increases in labour productivity of 8·5 per cent a year will be necessary for the rest of the period. The EDC believes that this can be achieved but that doing so will not be easy. It therefore views with concern the labour outflow forecast for the next few years.

The EDC stresses the importance of the question of whether farmers and growers have sufficient confidence in the future prosperity of the industry to justify the scale of investment required. Since June 1968, the EDC reports, there have been some useful developments towards achieving greater stability in market prices. At the same time, however, the steep rise in interest rates has resulted in many worthwhile investment proposals being held in abeyance, while the fall in net farm income in 1968-69 has reduced the ability of many farmers to provide for direct investment from cash flow

Export Credit Guarantees Department

OPERATIONS IN 1969

The Export Credit Guarantees Department (ECGD), which provides and arranges credit insurance for British exporters, has recently issued a statement of its activities in the calendar year 1969

In 1969 the total value of business insured by the ECGD reached a record level of £2,569 million. In addition to providing insurance cover the ECGD also helps British exporters to obtain bank finance to bridge the period of credit given to overseas buyers. Last year a bigger volume than ever of export business was financed by banks under guarantees provided by the ECGD, and these advances rose by 37 per cent above the 1968 level to a total value of £665 million The biggest increase was in advances made under the special fixed-rate lending scheme available to exporters for medium-term (over two years) business These increased by some £93 million. In addition there was an £87 million increase in the amount of short-term, high-interest lending at bank rate

Extension of Lending Powers

Under the terms of the Export Guarantees and Payments Bill, which is expected to become effective in the near future, the ECGD is to make its own tied loans to countries buying goods from British exporters. Until now the ECGD has guaranteed only loans from banks and exporters. Although the Bill will also allow interest on specific loans at rates below normal, this is regarded as a reserve power likely to be used in very limited circumstances

The main reason for the Bill is to raise the ceiling on the ECGD's liabilities from £2,400 million to £4,000 million and that on 'National Interest' account from £1,500 million to £2,500 million.

Functions and Achievements

The ECGD is a department of the Government which carries on a commercial business providing insurance for exporters against the risks of selling overseas; it also furnishes guarantees of repayment to banks which supply finance for export credit. It insures exporters against two broad classes of risk—the creditworthiness risks (the buyer's failure to pay), and the political and economic risks (such as cancellation of a valid import licence, inability to transfer exchange, war and so on). The guarantees to banks cover any loss, whatever the cause.

The ECGD operates as a solvent business balancing income and outgoings over the years. By applying normal insurance principles it offers insurance at a reasonable price and in return gives value for money in terms of claims paid and efficient service The Export Guarantees Act from which ECGD derives its powers permits cover to be given either on the commercial basis outlined above, or, when this cannot be justified because of the abnormal risks involved, as a public service 'in the national interest' About 90 per cent of the insurance business is transacted on the commercial basis, approved by an advisory council of bankers and businessmen Broad underwriting principles are, however, also applied to cover given in the national interest, and the solvency of these operations has in fact been maintained

Since 1930 ECGD has insured business valued at over £11,000 million. The volume of business insured has risen year by year: 1967-68 business totalled £1,889 million compared with £492 million in 1956-57. As business has expanded, the total amounts paid out in claims have also increased: in 1967-68 £22 million was paid, compared with £83,000 in 1930 Over the whole period 1930 to 1968 gross claims worth over £143 million have been paid. Of these, 70 per cent were paid in respect of losses caused by political risks and 30 per cent because of insolvency or default of private buyers or minor causes

The proportion of British exports insured with ECGD has risen from 8 per cent in 1947 to 34 per cent today. ECGD attributes its growth to four main reasons. By progressively widening the scope of its insurance, in terms both of the risks covered and the percentage of loss paid, and at the same time reducing premiums, ECGD has made credit insurance a very attractive proposition. Secondly, improved cover at lower cost has been made possible by increased turnover and ECGD has deliberately gone out to sell its facilities. Thirdly, as world trading conditions have become increasingly competitive, terms of payment have steadily been moving from cash to credit—often long credit. This has meant that exporters with their overseas accounts at risk for much longer periods have been obliged to have ever-larger amounts of money outstanding and they have therefore turned to credit insurance for protection. Finally, the value of ECGD cover in securing bank finance, often at cheaper rates, has been an increasingly important factor in recent years.

ECGD classifies the export trade into two broad categories. There is trade of a more or less repetitive type, often conducted over the years with the same regular buyers, involving standard or fairly standard goods sold on cash or credit. Distinct from this, there are projects and large capital transactions of a non-repetitive nature, usually of a very high value and often involving on-the-spot construction or installation with considerable local expenditure, and generally involving lengthy credit terms.

By far the greater part of the insurance provided by ECGD—89 per cent in 1966-67—is in the first category. Cover on these goods is provided on what is termed the comprehensive basis The principle of this is that only by securing

the maximum turnover and spreading the risks as widely as possible ov different buyers in different markets can a sufficient coverage of business b obtained to permit insurance to be offered on an economic basis.

In the early 1930s a premium rate of 20s per £100 insured on up to si months' credit was quite normal and only 75 per cent of any loss was covere Currently, with 90-95 per cent cover on a wide range of risks, often from date c contract, the cost of short-term cover averages only 5s per £100.

An exporter who wants comprehensive insurance must offer for cov all or most of his future export business, in both good and bad markets, fo a period of one or three years ahead; for the latter period premium is reduce by 5 per cent. Within the scope of this comprehensive cover most of the busine underwritten is on short-payment terms (anything from cash to six month credit) but the amount of business underwritten on extended terms (over si months' credit) has increased considerably. In 1967-68 short-term busine accounted for £1,457 million, and extended-term business reached almo £162 million.

By contrast, large capital projects involving constructional works or sal of heavy equipment not suited to comprehensive treatment are insure individually, specific policies or guarantees being negotiated for each contrac In 1967-68 ECGD covered the export of goods worth over £144 million in th way. Business of this nature usually involves accepting considerable liabilitie for many years ahead, often in the more risky markets

Cover is given in one of two ways, according to the manner in which th credit is provided. In the case of 'supplier credit' the manufacturer sells o deferred payment terms, borrowing from a British bank to finance the perio from shipment of the goods until payment is received, ECGD insures th exporter, and in many cases additionally gives a guarantee directly to the bank In the case of 'buyer credit' the exporter receives prompt payment from hi buyer, who draws on a loan from a British bank to provide this payment, th loan being repaid by instalments ECGD guarantees to the bank the repaymen by the overseas customer.

ECGD policy on credit terms is to put British exporters on level term with foreign competitors while avoiding any unnecessary extension of credi terms. It is fairly well established that six months' credit is the maximum fo raw materials, semi-manufactures and consumer goods Credit for othe products does not follow any precise pattern but ECGD generally works t a maximum of three years' credit for contracts of less than £50,000 and fou years' for contracts of less than £100,000 With the exception of projects eligibl for insurance under its Financial Guarantees, ECGD will agree terms exceedin five years' credit only if there is evidence that such terms are being offered b foreign competitors with official credit insurance or equivalent support alway provided that the competitor's credit is not part of his country's aid programm to developing countries.

Britain's Farm Price Review

INCREASE OF £85 MILLION IN GOVERNMENT SUPPORT

The annual farm price review was published as a White Paper on 18th Marc (*Annual Review and Determination of Guarantees 1970*, Cmnd. 4321, HMSO 5s). The Government continues to require selective expansion in agricultur the priority products still being beef, pigmeat, wheat and barley

In a statement in the House of Commons (*Hansard*, 18.3.70, cols. 396-8) the Minister of Agriculture, Fisheries and Food, Mr Hughes, said that the

Government's aim is to ensure that the industry is enabled to overcome the problems engendered by the foot and mouth epidemic of 1967-68, the poor weather in 1968 and the tight credit situation. The Government recognises the recovery made in 1969-70 and, in order to maintain progress towards selective expansion, has introduced a somewhat less traditional review. In the Government's view, the needs of the industry are to replenish cash resources, to contain costs and to increase investment. Mr. Hughes continued: 'This cannot be done simply by sticking to the traditional annual review methods of price adjustment and production grants. The leaders of the industry have recognised the importance of the Government's willingness to adopt a more flexible approach and to design the measures to meet the real need.'

Guaranteed prices have been increased for seven commodities: beef, pigmeat, wheat, barley, milk, sheep and potatoes. The increases amount to some £54 million but are offset by the reduction in the price for eggs. The rates for fertiliser and lime subsidies are to be raised for the next twelve months. This will inject about £10 million into the industry, depending on uptake. New incentives are being introduced to eradicate brucellosis through premiums on milk and on beef cows in accredited herds. These should amount to £5 million annually in the first years. Lastly, the Government is raising substantially for two years the rates of the agricultural capital grant schemes. This should make another £20 million or more available for direct investment over a period of about two years.

Production

In 1968-69 production fell sharply as a result of the foot and mouth epidemic and the poor cereals harvest. In 1969-70 production of most commodities is expected to rise but this will be partly offset by some increase in inputs.

TABLE 1

AGRICULTURAL PRODUCTION IN BRITAIN

Years beginning 1st June

	Pre-war average	1946-47	1966-67	1967-68	1968-69	1969-70*
Crops (thousand tons)						
Wheat	1,651	[illegible]	3,420	3,841	3,414	3,320
Rye	10	[illegible]	11	12	11	11
Barley	765	[illegible]	8,586	9,069	8,140	8,661
Oats	1,930	[illegible]	1,102	[illegible]	1,202	1,298
Mixed corn	[illegible]	[illegible]	93	117	151	216
Potatoes	[illegible]	[illegible]	6,476	7,087	6,738	6,115
Sugar beet (raw sugar equiv.)	[illegible]	[illegible]	892	919	930	884
Livestock products						
Milk (million gallons)	1,556	1,653	2,528	2,643	2,648	2,742
Eggs (million dozen)	545	451	1,193	1,226	1,237	1,253
Beef, veal ('000 tons)	578	550	852	910	863	885
Mutton, lamb ('000 tons)	191	135	263	251	226	213
Pork ('000 tons)	209	15	571	553	584	608
Bacon, ham ('000 tons)	159	87	198	210	225	235
Poultry-meat ('000 tons)	89	70	440	481	528	554

* Forecast

TABLE 2

INDEX OF AGRICULTURAL NET OUTPUT

Years beginning 1st June	Old series*	Rebased series†
1953-54	103	- -
1954-55	95	- -
1955-56	98	-
1956-57	107	-
1957-58	105	-
1958-59	102	
1959-60	112	
1960-61	119	-
1961-62	115	-
1962-63	124	
1963-64	127	
1964-65	137	100
1965-66	136	100
1966-67	135	100
1967-68	- -	106
1968-69 provisional	- -	101
1969-70 forecast	-	106

* 100 = Average 1954-55 to 1956-57.
† 100 = Average 1964-65 to 1966-67.

The index of net output (see Table 2) is expected to rise from 101 in 1968-69 to 106 in 1969-70, the same as the previous highest level, attained in 1967-68. Table 1 shows the trends in production of individual commodities.

Because of bad weather at sowing time, the cereals acreage in 1969 was less than in 1968, but on average yields were much better and total production in 1969 was well up on 1968. Weather also restricted plantings of potatoes in 1969 and the main crop may be a little short of demand. With a lower average yield of beet, home production of sugar is also expected to be rather less than in 1968-69. Horticultural production has increased considerably.

More home-fed beef is expected this year. The beef-breeding herd is expanding well and a high proportion of calves from the dairy herd is being retained for beef. Milk production is still increasing but expansion in the dairy herd has levelled off. The expansion of the total cattle breeding herd is therefore slowing down. Home production of mutton and lamb in 1969-70 is expected to be less than in 1968-69 and the sheep-breeding flock has continued to decline, partly because of heavy losses in some districts during severe weather at lambing time in 1969. Production of both pork and bacon is expected to show an increase, though expansion of the breeding herd has slowed down. Production of both poultrymeat and eggs has again risen to new record levels.

Costs

There has been a large net increase in the cost of goods and services used in agriculture, of which a third is due to higher labour costs and a third to higher prices of feedingstuffs and machinery. A net increase in costs of some £60 million was taken into account in the review determinations. This figure is net of the consolidated payment of £1·9 million, which is to be made to the

Agriculture, Horticulture and Forestry Industry Training Board, in lieu of the training levies formerly paid by agricultural and horticultural producers. The annual gain in the efficiency of the industry is conventionally assessed as £30 million for guaranteed commodities, taking one year with another.

The number of regular whole-time workers in agriculture dropped by 6 to 7 per cent annually from 1964 to 1966 and has been falling by about 5 per cent annually since 1967. In 1969-70 labour productivity increased by 7 per cent, while over the period 1963-64 to 1969-70 the average annual rate of increase was some 5 to 6 per cent.

Income

Actual aggregate net income fell from £516½ million in 1967-68 to £480½ million in 1968-69. It is forecast to rise to £535½ million in 1969-70; the number of full-time farms, estimated at about 190,000 in June 1969, is declining by about 2 per cent annually so that, per farm, the increase would be rather greater. When the figures for net income in 1968-69 and 1969-70 are adjusted to a normal weather basis, however, there is little change between the two years.

Investment

Total capital formation in agriculture is provisionally estimated at £283 million in 1969, an increase of 10 per cent on 1968 Some £186 million was invested in tenant-type assets comprising new plant, machinery and vehicles and stocks (mainly growing crops and cultivations and livestock) and some £97 million in buildings and works.

Review Determinations

The following are the main changes announced in the review:

Beef and Milk

The guaranteed price for fat cattle will be raised by 7s 6d to 222s 6d per cwt In addition, as a more direct incentive to maintaining the strong upward trend in the suckler herd, the hill cow subsidy will be increased by £1 10s and the beef cow subsidy by £1 for each eligible animal.

Sales of milk on the liquid market have resumed their upward trend and a small increase is expected for 1969-70. The standard quantity is adjusted automatically for the change in liquid consumption. There will be an increase this year of 24 million gallons, equivalent to an increase of 0·27d per gallon in the guaranteed price The guaranteed price for milk will go up by 1·74d to 3s 11d per gallon Together with the automatic increase in the standard quantity it is equivalent to an increase of 2d per gallon in the guarantee.

Brucellosis

In the interests of both human and animal health the Government is concerned that brucellosis should be eradicated from the national herd as soon as practicable Compulsory eradication projects will start next year in specially selected areas of Great Britain. The new measures are designed to accelerate the build-up and maintenance of disease-free herds, and to sustain the reservoir of replacements as eradication programmes gather momentum. The present voluntary Brucellosis (Accredited Herds) Scheme in Great Britain will be replaced by an Incentives Scheme offering new payments for healthy herds instead of compensation for certain reacting animals. These incentives will take the form of a gallonage premium on milk from accredited dairy herds

and, for accredited beef herds, a supplement to the hill cow and beef cow subsidies. The incentives for 1970-71 will be 1½d per gallon for milk and 37s 6d for each qualifying beef animal.

Northern Ireland is already in the concluding stages of a compulsory eradication programme, and will therefore be a valuable source of disease-free replacements. The principle of introducing incentives, in lieu of compensation, will be applied there under arrangements to be made by the Northern Ireland Government.

Sheep and Wool

To offset higher costs and to give the further resources needed for investment in additional breeding stock, the guaranteed price for fat sheep will go up by 3d to 3s 10¾d per lb. The guaranteed price for wool will remain unchanged.

Pigs

Feedingstuffs account for a large part of costs to the pig producer and the effective guaranteed price is automatically adjusted under the feed formula for changes in these costs The current index related to the price of compound feedingstuffs has been reviewed to reflect price changes more accurately. The basic guaranteed price will be raised by 1s per score to 5s 11d

Eggs

From 1970-71 the egg subsidy will be on a flat-rate basis, as foreshadowed in the 1969 annual review White Paper To achieve this the profit and loss sharing and import compensation arrangements will be abolished In order to continue the phasing out of the subsidy, the guaranteed price for hen eggs will be reduced by 1·43d per dozen For duck eggs the profit and loss sharing arrangements will also be abolished and the guaranteed price will be reduced by 2 31d per dozen.

Cereals

Further incentives are needed to ensure that farmers have the resources and confidence to accelerate progress in the cereal sector. In addition the differential in favour of wheat (which offers the biggest scope for import-saving) should be increased The guaranteed price for wheat will therefore be raised by 1s 3d to 30s 3d per cwt, and the guaranteed price for barley by 1s to 27s per cwt. There will be no change in the guaranteed price for oats or for rye. The target indicator prices for 1970-71 will be 21s 3d per cwt for wheat and 20s 4d per cwt for barley

Following the proposal in the Britton Report on cereals marketing [see 28.2.69 pp. 224-5] it is the Government's intention that the deficiency payment on wheat (at present paid on a tonnage basis) should be paid on an acreage basis with effect from 1st July 1971; but the Government is prepared to have further discussions with the interests concerned before reaching a final decision in the autumn of 1970.

The acreage grant on field beans which was introduced for the 1968 crop comes to an end in 1970-71 and will not be extended since the value of the crop as a break in the cereals rotation is now sufficiently well recognised not to require further financial encouragement.

Potatoes

In the 1969 annual review White Paper, a target acreage of 650,000 was fixed for the 1969 crop. The acreage actually planted, however, was only 614,000,

mainly due to bad planting weather in the spring. A UK target acreage of 650,000 has again been set for 1970. The guaranteed price will go up by 15s per ton to 317s 6d per ton.

Sugar Beet

The contract acreage for 1971-72 will remain unchanged. As there is no difficulty in having the contract acreage taken up, the guaranteed price for 1970-71 will also remain unchanged.

Fertiliser and Lime Subsidies

Fertiliser usage has increased steadily but the rate of increase has slackened off during 1969-70. The general policy has been to reduce subsidy rates, as usage increases, in order to contain the cost of the subsidy. For lime, the general level of the subsidy has remained unchanged since 1966. Consumption has fallen over the last few years, though this trend appears to have been checked in 1969. The rates of fertiliser subsidy will be increased by about 20 per cent and the rates of lime subsidy by about 15 per cent.

Small Farm (Business Management) Scheme

This scheme was introduced in 1965. The number of applications under the scheme has continued to fall and is now at a very low level. It will not be renewed when it expires on 31st August 1970.

Capital Grants

Under the proposed arrangements, most of which are subject to the approval of Parliament, the rates of the main farm capital grants will be increased by 10 percentage points except for the investment grant for buildings and fixed equipment, which will be increased from 10 per cent to 30 per cent. The Government has already announced its intention to replace the existing capital grants to agriculture by a unified Farm Capital Grant Scheme with a basic rate of 30 per cent and a higher rate of 50 per cent for drainage, improvements to hill land and remodelling works for farm amalgamations (60 per cent for drainage in the hills). In view of the increases now proposed in the rates of capital grants, it is intended that, until 18th March 1972 only, the rates under the unified scheme should be set at 40 per cent for the basic rate and 60 per cent for the higher rate (70 per cent for drainage in the hills).

Cost to the Exchequer

The cost to the Exchequer in 1969-70 is expected to be about £280 million, some £14 million more than in 1968-69. The estimate for 1970-71 made before this review shows an increase to £299 million, the main increase being for cereals.

Reactions to the Review

The council of the National Farmers' Union has disagreed with the Government's determinations because they fail to meet the union's minimum net income objective for the industry of £650 million. This was the first time that such an objective had been set. The council has requested that the question of farm income be referred to the National Board for Prices and Incomes.

Selective Employment Tax

ECONOMIC EFFECTS ON DISTRIBUTIVE TRADES

A selective employment tax (SET) was imposed in the 1966 Finance Act to encourage economy in the use of labour in the service industries. It is a tax on employers per head of labour employed. Initially the rate for men was £1 5s. This was later raised to £1 17s 6d by the Finance Act of 1968 and to £2 8s by the Finance Act of 1969 [see 25.4.69 p. 383] Currently the rate for men remains at £2 8s per week. The rate for women and boys is £1 4s per week and for girls 16s per week. Employers in manufacturing industries located in development areas receive a refund of the tax plus an additional regional payment. This is now at an inclusive rate of £4 5s 6d a week for men, £2 2s 9d for women and boys and £1 8s for girls.[1] Other employers in manufacturing industry and employers in transport and communications, public services including the nationalised industries, agriculture, the extractive industries and charities have the tax refunded or counterbalanced, while employers in service industries not mentioned above and construction (with certain reliefs in special cases) pay the tax without refund.

Professor Reddaway, Director of the Department of Applied Economics at Cambridge University, was asked by the Treasury in 1968 to examine the economic effects of SET. His first report, published March 1970, covers the distributive trades, which employ about 2·8 million of the total of 7 5 million people in service industries subject to the tax The report shows that, in the retail sector in 1968-69, three-quarters of the increased cost resulting from SET was offset by higher productivity, and that, in the wholesale trade, the gain in productivity offset the entire cost. The report finds that SET played a major part in producing these unexpectedly large increases in productivity. The ending of resale price maintenance which occurred in a number of trades prior to the introduction of SET is also recognised as stimulating greater efficiency in retailing and wholesaling by intensifying the competitive pressures at work in these sectors. Methods used to reduce costs and raise efficiency have included in retailing, a reduction in the number of counter-staff and the widespread introduction of self-selection and self-service; and in wholesaling, a widespread reduction in service, less frequent deliveries, tighter control of credit and greater mechanisation. The new tax in this competitive environment has hastened the introduction of these measures and has contributed to reductions in employment of 100,000 people in the retail trade and of 30,000 people in wholesaling firms It is further indicated that in addition to reducing costs the distributive trades as a whole did not recover SET by increasing their margins. In fact distributors' net profits were a lower percentage of sales than before the introduction of SET

Despite the complexities of identifying the effects of SET the report is able to conclude that the savings made on payroll costs went a long way towards covering the cost of SET; and that, overall, the decline in service to the consumer was probably small.

The report recognises the existence of anomalies in the working of SET, for example in cases where a taxed wholesaler is competing with a manufacturer selling direct, since the latter usually escapes SET; and in cases where some wholesalers obtain complete or partial refunds and others do not. The report concludes that, contrary to the widespread view that the tax is costly to administer, the costs of the Exchequer have in fact been low as a percentage of net revenue collected when compared with other types of taxation. The

[1] These rates apply where hours employed exceed 21 hours per week.

basic function of the tax is of course to raise revenue, which it has done to the extent of more than £600 million in 1969-70, net of all repayments.

The Department of Applied Economics has further work in hand on allied service trades such as garages, hotels and catering, and on the construction industry.

Astronomy and Space Activities

Some recent developments in astronomy and space activities are recorded below.

Successful Flight Test of 'Black Arrow'

Britain's *Black Arrow* satellite launch vehicle was successfully flight tested at Woomera, Australia, on 4th March. This was the second of three development firings aimed at proving the rocket's ability to inject satellites into close earth orbit. Separation of the first stage and of the nose fairing, and spin-up of the payload, were successfully accomplished at the predicted times. This firing was not an orbital attempt. The payload and the second stage impacted as planned in the Indian Ocean some 1,900 miles north west of Woomera about 15 minutes after launching. The trial proved the structure of the three-stage vehicle and demonstrated satisfactory performance of the liquid rocket motors in the first and second stages. The performance of all the third stage systems was also tested, except for the propulsion system which will be used in subsequent launches to inject a satellite accurately into orbit.

The first launching of *Black Arrow* had taken place on 28th June 1969, when the vehicle had had to be destroyed after one minute because of a failure in the electrical feed-back circuit in the control system of one of the four pairs of first-stage thrust chambers. The third launching, which is planned for later in 1970, will use a live third-stage motor and will attempt to put a test satellite into near Polar orbit.

The decision to proceed with the *Black Arrow* project, based on the highly successful British ballistic test rocket *Black Knight*, had first been announced in September 1964 and confirmed in December 1966[1]. The main objective of the project is the maintenance and development in Britain of a capability in satellite technology. The *Black Arrow* launcher is intended to be capable of putting 250 lb. into polar orbit when launched from Woomera, or about 350 lb. if launched easterly from an equatorial site. The main firms concerned are British Hovercraft Corporation (Westlands Division) - launcher structure; Hawker Siddeley Dynamics (Stevenage)- launch services; Rolls-Royce (Ansty)— launcher engines for the first and second stages; Bristol Aerojets (Banwell)— third stage launcher engine, and Ferranti (Edinburgh)—altitude reference system.

ESRO Launches British 'Skylark'

The European Space Research Organisation (ESRO) launched the first of a new series of rocket probes into the Northern Lights from its range at Kiruna, Sweden, on 25th February. The British *Skylark* rocket used reached an altitude of 118 miles and successfully completed two experiments. One was for the Danish Space Research Institute, and the other for the University of Birmingham, England.

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[1] See *The 'Black Arrow' Programme*, Notes on Science and Technology, R. 5476/42.

' Skynet ' Military Communications Satellite

Skynet 1, Britain's first satellite in the *Skynet* military communications system [see 26.9.69 p. 848], was launched into space on 21st November 1969 by a US *Delta* rocket from Cape Kennedy. The satellite, which will transmit messages between defence bases or battlefield units as far apart as Britain and Singapore, was positioned in a synchronous orbit 19,324 nautical miles (22,300 miles) over the Indian Ocean off the East Coast of Africa. The second *Skynet* satellite is scheduled for launching later in 1970. The *Skynet* system will operate in conjunction with the US Initial Defence Satellite Communications System, which became operational in July 1967.

A development worked out during proving trials of *Skynet 1* by the Signals Research Development Establishment, Christchurch, and the Admiralty Surface Weapons Establishment, Portland, will lead to almost every ship in the British Fleet being equipped to send and receive messages *via* space relay stations. Part of the proving trial involved testing small British mobile ground stations with dish aerials to be used in forward areas and on frigates. In providing compact, reliable and cheap ground stations, the designers involved in the military system have opened the way for the widespread use of satellite communications systems for other purposes (e.g. in tankers and other merchant vessels, or in remote villages). The earth stations for *Skynet* are being built by GEC-Elliott Space and Weapons Systems Ltd. and by Marconi.

' Apollo 12 ' Moon Rock Samples

Scientists at the following British research establishments are receiving samples of moon rock brought back by the US *Apollo 12* manned lunar expedition: the Institute of Geological Sciences, the Atomic Energy Research Establishment; and the following universities: Cambridge, Durham, Loughborough, Sheffield, Edinburgh, London, Manchester, Bristol and Newcastle [see 1.8.69 p. 676 for list of British establishments which received samples from *Apollo 11*].

The ' Galaxy ' Electronic Measuring Machine

Britain has taken a world lead in terrestrial astronomy with a machine which, by the end of 1970, is expected to have measured more star images than all those previously measured during the twentieth century. It may change the views of astronomers on the rate at which stars are formed. The machine installed at the Royal Observatory, Edinburgh, and costing £110,000, is linked to a 16-inch Schmidt telescope and an Elliott *4130* computer. The procedure calls for electronic equipment to interpret automatically the thousands of star images which are recorded on each photographic plate of a camera—an analysis which takes months and sometimes years of drudgery by conventional methods. More important, the *Galaxy* system has much higher resolving power than a man with optical equipment working at the laboratory bench. Five years were spent in perfecting the idea, first conceived by Dr. P. B. Felgett, and now Professor of Cybernetics and Instruments Physics at Reading University. Development was supervised by Dr. Reddish, of the Royal Observatory, Edinburgh and Faul Coradi Scotland Ltd. The *Galaxy* is expected to prove valuable in conjunction with telescopes at home and overseas, such as the new Anglo-Australian telescope.

British X-ray Telescope

A new type of X-ray telescope has been prepared by university groups in Britain and in the United States. The British group involved is at Leicester University, and the first investigation with the new instrument will be of the

X-ray star code-named *Sco X-1*, in the southern hemisphere constellation *Scorpius*.

X-rays cannot penetrate the atmosphere and telescopes to detect them have to be carried to the fringes of space on rockets. The Leicester experiment will be carried on a British *Skylark* rocket fitted with special gear, to keep the telescope locked on to the X-ray star. It is hoped among other things that the new telescopes will give information about the elements that make up X-ray stars. One view is that strong X-ray sources are formed when certain kinds of stars explode, and an analysis of the elements is one way to decide.

An American experiment under the auspices of Columbia University is also to be directed at investigating *Sco X-1* but it is believed that on this occasion the search will be for the characteristic wavelength of sulphur.

British Meteorological Satellite

It was announced in November 1969 that a new all-British satellite is to be designed by Hawker Siddeley Dynamics, under contract with the Ministry of Technology. Called *Metsat*, the satellite will carry two meteorological experiments. One will provide information on upper atmosphere temperature. The other will interrogate ground, sea and airborne weather reporting systems, re-transmitting the collected data to the meteorological centre at Bracknell.

In recently awarded contracts Hawker Siddeley Dynamics was made prime contractor for the scientific satellite *ESRO-4*, and a major sub-contractor for another European scientific satellite, *ESRO TD-1*. The company recently extended its space technology facilities at Stevenage, including the installation of the first horizontal laminar flow clean room facility to be built in Britain.

Successful Total Solar Eclipse Experiment

The total eclipse of the sun on 7th March crossed Mexico and the eastern seaboard of the United States. A unique feature of the eclipse was that it passed over the rocket range of the U.S. National Aeronautics and Space Administration (NASA) at Wallops Island on the coast of Virginia. Accurate predictions of the occurrence enabled an international team of scientists, drawn from Harvard College Observatory in the U.S.A., York University, Toronto, the Physics Department of Imperial College, London, and the SRC Astrophysics Research Unit at Culham, to formulate an experiment which fully exploited the event in order to study the hot upper layers of the sun.

The experiment, accepted by NASA, involved the launch of a rocket into the path of the eclipse, and its orientation towards the sun throughout flight. Sequential observations of the ultraviolet emissions of the chromosphere and corona were made as the moon passed over successive layers of the sun. The launch into the Atlantic necessitated sea recovery of the equipment and data. This very risky experiment was carried out with outstanding success and many valuable observations were recorded. The payload was designed, built and made ready for flight at the SRC Astrophysics Research Unit, Culham and at Imperial College, London. It included scientific instruments to photograph the eclipse over a wide range of ultraviolet wavelengths, internal control, and waterproof sealing systems to facilitate sea recovery. The rocket technology and launch sequence was handled by the sounding rockets branch of Goddard Space Flight Centre.

The ionised gases in the outer layers of the solar atmosphere, called the chromosphere and corona, have previously been studied during eclipses using their visible radiation, which is otherwise impossible to see as it is much less bright than the light from the solar disc. The extreme ultraviolet radiation contains much more information about the chromosphere and corona because these layers are very hot.

This was the first time that observations had been made during an eclipse, when additional information is obtained as the moon passes in front of the sun revealing its atmosphere layer by layer and enabling its structure to be investigated with greater accuracy than had previously been possible. It should lead to a better understanding of the mechanisms which are heating the corona to such high temperatures.

European Free Trade Association

TRADE FIGURES

Figures published by the European Free Trade Association (EFTA) show that both imports and exports of the member countries and their associate, Finland, were sharply higher in 1969 than in 1968 and that the rate of growth accelerated throughout the year. Total commodity imports of the eight countries (excluding the newly joined Iceland) amounted to $43,939 million, and exports to $38,215 million, respectively 11 per cent and 15 per cent higher than in 1968.

The publication of the 1969 figures makes it possible to review EFTA's foreign trade in the ten years of its existence, including three years of full free trade in industrial goods. Whereas total EFTA imports and exports have both more than doubled since 1959, the last year before tariff cutting began within EFTA, trade between the member countries has nearly trebled, having risen by 186 per cent over the period, compared with 108 per cent for external exports and 111 per cent for external imports. Among the Nordic countries of EFTA the total increase amounts to some 284 per cent. Over the same period, Austria and Portugal have increased their sales to the other EFTA countries by over 400 per cent; for most other EFTA countries the increase has been over 200 per cent, the exceptions being Denmark (157 per cent), and Britain (130 per cent). In terms of imports from other members the British and Norwegian markets have grown the least, and the Austrian, Swiss and Swedish markets most rapidly.

EFTA trade with the countries of the Common Market has risen by about 130 per cent since 1959; imports from the United States have grown at a similar rate, but EFTA exports to that market have grown more slowly (98 per cent). Trade with Eastern Europe has more than doubled, imports having increased by 114 per cent and exports by 140 per cent. Trade with the rest of the world has grown very slowly, at an average annual rate of 4·3 per cent for imports and 5·3 per cent for exports.

ICELAND JOINS EFTA

Iceland became a member of EFTA on 1st March 1970. The membership of EFTA is now Austria, Denmark, Iceland, Norway, Portugal, Sweden, Switzerland (and Liechtenstein) and Britain. Together with its associate member, Finland, it forms a single market of 100 million people.

Under the accession agreement, Iceland will progressively dismantle protective duties on imports from other EFTA countries during the next ten years. Other EFTA nations are allowing duty-free entry of Iceland's exports of industrial products. A recent EFTA agreement on minimum import prices into Britain of frozen fish fillets from Nordic countries has been extended to Iceland, thus benefiting its main export, that of fish. Five Nordic members of EFTA—Denmark, Finland, Norway, Sweden and Iceland—have also collaborated

ICELAND: FOREIGN TRADE

$ million, monthly rate

	Total imports c.i.f.	Imports by area				Total exports f.o.b.	Exports by area			
		Total OECD	EEC	EFTA	Eastern Europe		Total OECD	EEC	EFTA	Eastern Europe
1962	7·4	5·4	1·6	2·6	1·4	7·0	5·1	1·2	2·5	1·3
1963	9·1	7·0	1·9	3·7	1·6	7·9	5·8	1·6	2·7	1·4
1964	10·9	8·6	2·0	4·1	1·8	9·3	7·1	1·5	3·7	1·3
1965	11·4	9·0	2·5	4·1	1·8	10·8	8·6	2·2	4·2	1·2
1966	13·3	11·1	3·0	5·2	1·5	11·7	9·4	2·4	4·4	1·4
1967	13·5	11·2	3·3	5·2	1·6	8·1	6·1	1·2	3·3	1·4
1968	11·5	9·4	3·2	4·5	1·4	6·8	5·3	1·0	2·2	1·0
1969*	7·7	6·2	2·3	2·8	1·0	5·7	4·1	0·6	1·8	1·1
	10·4	8·6	3·0	4·3	1·0	8·3	6·4	1·3	2·7	1·2

Sources OECD, *Main Economic Indicators* and OECD, *Foreign Trade Statistics Series A*

* First and second quarters.

in the setting up of a $US 14 million fund to foster the development of Iceland's export industry and to strengthen the competitive ability of its domestic industry.

In a statement to mark Iceland's accession, Mr G.Th. Gislason, Minister of Commerce, said: 'I sincerely hope that both Iceland and the other EFTA countries will benefit by our admission to the association. But we Icelanders also stress the importance of the fact that membership of EFTA will forge even stronger links in the future between Iceland and those European countries with which for centuries we have had the closest commercial, cultural and political ties, and in recent decades ties of common security as well'

Commonwealth Scholarship and Fellowship Plan

REPORT OF SCHOLARSHIP COMMISSION IN THE UK

The tenth annual report of the Commonwealth Scholarship Commission in the United Kingdom, published on 11th March[1], gives details of award-holders and awards made under the Commonwealth Scholarship and Fellowship Plan in the year ended 30th September 1969 and indicates the importance of the contribution made by the Plan to various levels of development in many Commonwealth countries.

The Commonwealth Scholarship and Fellowship Plan came into being as the result of a decision by the Commonwealth Education Conference in 1959. Under it over 1,000 awards were created, to be held at any one time in Commonwealth countries; the British Government undertook to provide half this total. The awards are mainly for postgraduate study and research At the first Commonwealth Medical Conference, in 1965, the British Government undertook to enlarge its contribution to the Plan by introducing medical fellowships and senior medical fellowships for shorter periods of study at a senior level. A total of 677 awards made under the Plan were held in Britain in 1968-69.

The Commonwealth Scholarship Commission in the United Kingdom is the statutory body which administers the Plan in Britain. Under the Commonwealth Scholarships Act 1959 it makes an annual report to the Minister of Overseas Development and the Secretary of State for Foreign and Commonwealth Affairs. The British Council is responsible for travel arrangements, payment, and general welfare of scholars and their families

Scholarship Holders in Britain

Award holders studying in Britain during the year numbered 573, the highest total so far, from 37 Commonwealth countries and dependencies Scholarships are awarded in the first instance for not longer than two years, but a large number of extensions for a third year are made, for the most part enabling scholars to complete research for a doctorate. Although scholars were distributed over a large number of British universities and other institutions of higher education, the greatest concentration continued to be at Cambridge, London, Manchester and Oxford. Reports received from universities and colleges continued to indicate that the Commission's selection procedure resulted in the great majority of cases in candidates of outstanding ability being chosen. British universities had come to expect the highest standards from Commonwealth scholars and were most ready to make places available at the initial approach of the Commission.

New scholars selected to take up awards tenable from October 1969 totalled 235, from 32 countries. The largest numbers are from India (37), Australia (25),

[1] HMSO, 9s.

Pakistan (25), Nigeria (24) and Canada (21). The awards included 16 to Rhodesians; in the absence of a legally-constituted government in Rhodesia suitable Rhodesian applicants are nominated by the Ministry of Overseas Development.

Medical Awards

Medical fellowships and scholarships are awarded for postgraduate study or training in medicine, surgery, dentistry and the basic medical sciences, with the aim of assisting in the establishment or development of medical and dental education in the Commonwealth outside Britain. Senior medical fellowships are for medical and dental teachers who are the holders of chairs or are heads of departments in their own countries. Holders of these awards during 1968-69 totalled 24 and came from Australia, Ceylon, Ghana, India, New Zealand and Pakistan. The 77 holders of medical fellowships came from these countries and also from Fiji, Jamaica, Nigeria, Singapore, Trinidad and St. Vincent. All award holders undertake to return to their own countries on the expiration of their awards.

Academic Staff Awards

The first awards of Commonwealth academic staff fellowships and scholarships were made during the year, tenable in 1969-70. These awards are for study in fields other than medicine and surgery. The 12 persons selected for fellowships were members of staff of universities in Ceylon, Ghana, India and Nigeria, who had already obtained postgraduate qualifications but who needed a year's programme of study or training closely related to their work, to enhance their experience. Five scholarships were awarded to junior or potential members of staff from Malawi, Nigeria and Sierra Leone to enable them to obtain postgraduate qualifications. The report records growing interest in the scheme.

Awards to United Kingdom Candidates

As a result of the Commission's nominations to other awarding countries, 27 British students accepted offers of Commonwealth scholarships for study leading to higher degrees in Australia, Canada, Ceylon, Hong Kong, India, New Zealand and Pakistan.

Visiting Professorships

The Commission invites British universities and colleges to make nominations for Commonwealth visiting professorships. During 1968-69 three visiting professorships were held, at the universities of Newcastle upon Tyne, East Anglia and Warwick, the holders coming from Grant Medical College, Bombay, and the universities of Kerala and Melbourne. Invitations to hold professorships in 1969-70 at Oxford, Southampton, Newcastle upon Tyne, Reading, Cambridge, London and Surrey, were accepted by nominees from Ottawa, Toronto, Osmania, Sydney and British Columbia. Awards of visiting professorships by Australia were made to five nominees from Britain.

The Experience of Ten Years

In the conclusion to its report the Commission looks back to the inception of the Commonwealth Fellowship and Scholarship Plan at the first Commonwealth Education Conference at Oxford in 1959, at which basic principles of the Plan were enunciated as follows.

'It is of special importance that the Commonwealth Scholarship and Fellowship Plan should pay great attention to the needs of the economically less-developed countries, where educational facilities and opportunities are at present less amply provided. But educational interchange between all the countries of the Commonwealth is essential if we are all to get the best out of the Plan and to share to the full the benefits of the special experience and facilities which our countries possess. Each has something to learn from the others; each has something to give.'

The Commission notes the great advances in the intervening 10 years in the less developed parts of the Commonwealth. 'As far as the awards by Britain are concerned, the Commission believes they too have played a significant part in helping forward the growth of the university sector and, indeed, of the national economy, in many countries at various levels of development.' Britain, also, 'has greatly benefited by its share of the awards made by other countries'.

As for the injunction of the Oxford conference that 'the Plan should be sufficiently flexible to take account of the diverse and changing needs of the countries of the Commonwealth', the institution by Britain of its scheme of Commonwealth medical awards and Commonwealth academic staff fellowships 'has shown that the scheme can be adopted to different needs as they arise and it is to be hoped flexibility will continue to be a feature of its continued successful operation in the future'.

Conference on Race Relations

SPEECH BY THE HOME SECRETARY

Race relations in Britain and the effectiveness of the 1968 Race Relations Act were reviewed at a conference held in London on 18th and 19th March. The Home Secretary, Mr. James Callaghan, was chairman of the conference, which was attended by members of the Race Relations Board and the Community Relations Commission and Ministers from the Home Office, the Department of Employment and Productivity, the Department of Education and Science, the Department of Health and Social Security and the Ministry of Housing and Local Government—the government departments mainly concerned with matters affecting community relations.

Among the subjects discussed were the 1968 Act (see 10.5.68 p. 489), which made it unlawful to discriminate on grounds of race, colour or ethnic or national origins; the opportunities available to the children of immigrants, especially on leaving school; problems arising in areas which have a high concentration of immigrants; the experience of the Race Relations Board in operating the Race Relations Act, particularly in the field of employment; the work of the Community Relations Commission in promoting good community relations; and the part played by legislation, the mass media, education and community activities in improving community relations.

Mr. Callaghan's Opening Speech

Opening the conference, Mr. Callaghan said that it was now nearly 18 months since Parliament enacted the Race Relations Act which made discrimination unlawful in the main areas of day to day activity. The principles on which the Act were founded had been accepted throughout the country by the press, television, churches, employers and trade unions. They were clear and simple: that everyone living in Britain had an equal right to a job, to a home, to a place

in school, to treatment when ill. He might enter a cinema, worship in a church, stay at an hotel, be served in a shop, play a game of cricket without anyone being free to stop him because of the colour of his skin. Britain could take great pride, said Mr. Callaghan, that legislation had been enacted to make it clear that society was not prepared to accept that any human being should be treated less favourably than his fellows because of his colour.

Mr. Callaghan said the conference would be considering the position of the children of immigrants the second generation, which had been born and educated in Britain. Young people born in Britain were not immigrants. The idea that these coloured British subjects were alien, and always would be, must be vigorously attacked. Coloured boys and girls born and educated in Britain must be made to feel that they were as much a part of Britain as anyone else.

Coloured immigrants, continued Mr Callaghan, had, for perfectly natural reasons, tended to congregate in a limited number of towns. They had gone there because that was where employers had offered jobs but they had had to share with everyone else in these towns the problems of a housing shortage and of social services under pressure If they, and especially their children, were to find themselves permanently confined to the areas in which they now lived because they were prevented from getting the jobs to which their abilities and qualifications entitled them, then coloured people would become identified with menial work and poor housing Britain had a good chance of ensuring that a situation never arose in which colour was identified with poverty· one of the tasks of the conference would be to consider what prevented the movement of coloured people from the restricted areas in which they had so far made their homes.

Mr Callaghan referred to the success so far achieved by members of the conference through persuasion, patience and reconciliation. It was a matter for congratulation that the Race Relations Board had taken only two cases to court out of the 1,562 complaints referred to it.

There was in Britain, continued Mr. Callaghan, a great tradition of public service, both paid and voluntary, which gave people a great opportunity to get to know other communities The police wished that they could recruit more young coloured people at present there were 23 coloured policemen and 33 special constables A special community relations branch had been established by New Scotland Yard for liaison work with members of the coloured community and similar arrangements had been made in a number of provincial forces. An important part of the training of a police recruit involved talks and discussions about the traditions and background of coloured people who had come to this country.

Mr Callaghan concluded by saying that people of all colours and races throughout the world were moving closer together and mixing more than they had ever done previously. The British were not exempt from this process but there was no need to fear the problems caused by differences of race and colour if they were dealt with wisely Britain had a long history, a stable people, a deep tradition and a broad tolerance. It was for the British to face their new problems with understanding, charity, self-confidence and leadership.

Government and Administration

Welsh Language. The Secretary of State for Wales described some of the steps taken by the Government to implement the principle of equal validity for the Welsh language. They include the production of 230 government forms in Welsh or bilingual versions, the increasing use of Welsh by government departments in correspondence and public notices, and a substantial increase in the Welsh Books Grant. The Welsh Office has also been giving guidance to local authorities in the implementation of language policy in the field of local government.

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written answers
cols. 5-6

Scotland (Rate Rebates). The Rate Rebates (Limits of Income) (Scotland) Order 1970 was approved by the House of Commons. The Order raises the income level below which ratepayers are entitled to full rate relief from £10 to £11 for a single person and from £11 to £12 5s for a married couple. The provision for each resident child remains unchanged at £2 a week.

Hansard, 17.2.70
cols. 313-30

Ulster Defence Regiment. The Minister of Defence (Administration) announced that the Ulster Defence Regiment [see 5.12.69 p. 1062] would undertake operational duties from 1st April. As at 27th February, 3,525 applications to enrol in the regiment had been received: 119 applicants had been enrolled; and a further 1,185 had been accepted for enrolment. It was further announced that the Ulster Special Constabulary [see 7.11.69 p. 981] was to be run down during the month and finally stood down by 30th April.

Hansard, 4.3.70
col. 401

Supreme Court of Judicature of Northern Ireland. The report of the committee set up in March 1966 to examine the law applicable to the Supreme Court recommends, among other things, that the legislative powers of the Parliament of Northern Ireland in relation to the court should be re-defined and incorporated in a new Judicature Act.

Cmnd. 4292
HMSO, 20s

Local Government—Reorganisation in Glamorgan and Monmouthshire. Welsh Office (see p. 337-8).

Cmnd. 4310
HMSO, 4s

General Elections in Britain.

COI,
R(SN).5693/70

Royal Yacht Britannia.

COI,
R(SN).3822/65,
addendum

Economic and Scientific Affairs

Restrictive Trading Agreements. Report of the Registrar, 1st July 1966 to 30th June 1969. — Cmnd. 4303, HMSO, 5s.

Inland Revenue Department. Observations by the Chancellor of the Exchequer and the Board of Inland Revenue on the fifth report from the Estimates Committee, session 1968-69. — Cmnd. 4314, HMSO, 1s 9d

Short Sea Shipping. Detailed report of the Economic Development Committee for the Movement of Exports, emphasising the contribution made by short sea shipping to Britain's overseas trade with Europe and setting out the problems and opportunities. — National Economic Development Office, 21-24 Millbank, London SW1, 8s

The Economy of Wales. Fact Sheet on Britain. — COI, R.4735/D/7

Notes on Science and Technology in Britain — COI, R.5476

No. 41 Advanced Technology Aero-engines
No. 50 The *Concorde*

Social and Cultural Affairs

New Attendance Allowance for Severely Disabled. Mr Ennals, Minister of State at the Department of Health and Social Security, said that preliminary results from the Government's survey of the chronically sick and physically handicapped suggested that about 25,000 adults living at home, 20,000 of them women, might be eligible for the attendance allowance proposed for the very severely disabled in the National Superannuation and Social Insurance Bill [see 14.2.69 p. 189]. Some 15,000 adults in residential care and 10,000 children might also benefit from the allowance. — *Hansard*, 9.3.70, cols. 882-4

Hospital Advisory Service, Scotland. The Secretary of State for Scotland announced the establishment, from 1st April, of a Hospital Advisory Service for Scotland. The service, which will be under the directorship of Dr. J. K. Hunter, will operate initially in hospitals and units caring for psychiatric, geriatric and young chronic sick patients. — *Hansard*, 11.3.70, cols. 321-2

Whitehall Redevelopment. A public inquiry into the proposals for redeveloping the Richmond Terrace and New Scotland Yard site in Whitehall has been announced by the Secretary of State for Local Government and Regional Planning. It will be a non-statutory inquiry and will be conducted by an independent inspector. — *Hansard*, 12.3.70, written answers col. 381

Independent Television Levy: Change in Rate. The Minister of Posts and Telecommunications announced a reduction in the levy paid by Independent Television companies, with effect from 15th April, so as to reduce the yield in a full year by an estimated £6 million. Costs and revenues of the companies were to be referred to the National Board for Prices and Incomes. — *Hansard*, 16.3.70, cols. 21-5

Local Authority Mortgage Loans. The amount of money to be allocated to local authorities in England, Scotland and Wales for the purpose of mortgage lending is to be increased by £50 million to a total of £155 million in the year 1970-71, the Minister of Housing and Local Government announced. — *Hansard*, 18.3.70 col. 405

New Town, Central Lancashire. The Minister of Housing and Local Government has decided to make a final designation order for the development as a new town of an area of central Lancashire, including Preston, most of Leyland and Chorley [see 17 1.69 p. 80]. The site covers an area of about 35,225 acres and, in the Minister's view, will be sufficient to accommodate a total population of about 430,000 and to permit a planned intake of some 120,000 people over the next 20 years. — *Hansard*, 25.3.70 written answers cols. 446-7

Rents of Houses Owned by Public Authorities in Scotland, 1969. — Cmnd. 4294 HMSO, 2s 6d

National Health Service. The Reorganisation of the Health Service in Wales (see p. 338-9). — HMSO, Cardiff, 3s

Home Help Service in England and Wales. The Secretary of State for Social Services is to meet local authorities to discuss the future development of the home help service. The discussions will be based on the findings of a survey by the Government Social Survey (HMSO, 40s), which showed that despite considerable expansion over the last five years the service still needs to be substantially increased. — Press release DHSS 31.3.70

Youth Workers' Training. The length of basic training for youth workers is to be doubled from one to two years. Basic training will be in conjunction with that for community centre wardens. Courses will be provided at six colleges and university departments — Press release DES 11.3.70

Maritime Trust. The establishment of the Maritime Trust was announced on 19th February. The trust aims to discover, repair and preserve, for the benefit of the nation, vessels of historic, scientific or technical interest, and to arrange for their berthing at sites ashore or afloat. The Duke of Edinburgh is to be the trust's president. — Press release, Maritime Trust, 53 Davies Street, London W1, 19.2.70

National Film School. Mr. Colin Young, of the University of California, has been appointed the first director [see 1.8.69 pp. 686-7]. — Press release, National Film School Planning Committee, DES, 11.3.70

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SURVEY of British and Commonwealth Affairs

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Contents

Chronology, January-March 1970

GENERAL

January

1 Initial allocation by International Monetary Fund of Special Drawing Rights following the entry into force of the necessary amendments to the fund's articles in July 1969 and approval of the allocation by the fund's board of governors on 3rd October [see 26 4 68 pp. 437-9 and 24 10 69 p 953]

2 Bank of Canada and Bank of Japan became shareholders in the Bank for International Settlements

7 Secretariat of the General Agreement on Tariffs and Trade announced that the closing date for the entry into force of the supplementary agreement on chemicals concluded during the Kennedy Round of trade negotiations in 1964-67 would be postponed to 1st January 1971.

19-30 United Nations Committee on the Elimination of Racial Discrimination held its first session in New York The committee consists of 18 experts from states parties to the International Convention on the Elimination of All Forms of Racial Discrimination, who serve in a personal capacity. They include Sir Herbert Marchant, associate director of the Institute of Race Relations in Britain

February

16 International Conference on Satellite Communications started in Washington

17 Conference of the Committee on Disarmament [see 24 10 69 p. 931] reopened in Geneva

19 Sir Muhammad Zafrulla Khan, of Pakistan, was elected President of the International Court of Justice, and Judge Fouad Ammoun of the Lebanon was elected Vice-President

March

2-3 First national conference on Commonwealth Youth Exchanges held at the Royal Commonwealth Society in London.

4-7 Secretary-General of the Organisation for Economic Co-operation and Development, M. Emile van Lennep, paid an official visit to Britain for talks with the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, and other Ministers and officials.

5 Treaty for the Non-Proliferation of Nuclear Weapons came into force [see 27 3.70 pp. 304-5].

9-14 Seminar for senior diplomats from Commonwealth countries held in Singapore under the auspices of the Commonwealth Secretariat.

9-10 Meeting of International Development Association (IDA) members in London at which Britain expressed readiness to meet its share of a replenishment of up to $1,000 million a year for the three years beginning 1st July 1971. Further international discussions are to take place and the amount and the manner of the replenishment are not expected to be settled before the middle of 1970.

16-26 Governing Council of the United Nations Development Programme (UNDP) considered the Jackson Report on the capacity of the UN development system at a special session. The report will be further considered at the regular session from 9th to 26th June.

23- Commonwealth specialist conference on education in rural areas held
3 Apr. in Accra, Ghana.

EUROPE AND THE WESTERN HEMISPHERE

January

1 European Conservation Year began [see 16.1.70 pp. 73-5].

9-10 Ministerial Council of the Western European Union met in Brussels. The British Foreign and Commonwealth Secretary, Mr. Stewart, and Mr Thomson, Chancellor of the Duchy of Lancaster, attended the meeting.

12 Rumanian Prime Minister, Mr Ion Maurer, arrived in Belgrade for four-day official visit, to discuss economic co-operation.

16 French Foreign Minister, M. Maurice Schumann, visited Bonn for talks with Herr Walter Scheel, Foreign Minister of the Federal Republic of Germany.

20 Defence Minister of the Federal Republic of Germany, Herr Helmut Schmidt, visited Paris for talks with the French Defence Minister, M. Michel Debré.

21 *It was announced that the International Bank for Reconstruction and* Development will contribute a loan of $25 million to a Brazilian development finance company for industrial development in the north-east region of Brazil.

22 Mr. Janusz Burakiewicz, Polish Minister of Foreign Trade, arrived in Bonn for a visit at the invitation of Professor Karl Schiller, Economics Minister of the Federal Republic of Germany. This visit, in connection with negotiations on the improvement of trade relations between the two countries, was the first visit of a Polish Minister to the Federal Republic.

22-30 Consultative Assembly of the Council of Europe met in Strasbourg.

22-23 French Foreign Minister, M. Schumann, visited London for talks with the Foreign and Commonwealth Secretary, and to address the Franco-British Society.

25-29 British Prime Minister, Mr. Wilson, visited North America. During his visit he had talks with the Prime Minister of Canada, Mr Trudeau, the Secretary-General of the United Nations, U Thant, and President Nixon [see 13.2.70 pp. 143-5].

25-1 Mr. Andrzej Giersz, Polish Minister of Building and Building Materials,
Feb. visited London at the invitation of Mr. Greenwood, Minister of Housing and Local Government.

28 Mr. Lubomir Strougal became Prime Minister of Czechoslovakia in succession to Mr. Oldrich Cernik. Mr. Cernik also left the Presidium of the Central Committee of the Czechoslovak Communist Party, and the former First Secretary, Mr. Alexander Dubcek, resigned from the Central Committee of the party.

29-31 Mr. Thomson, Chancellor of the Duchy of Lancaster, visited Berlin to attend the opening of the city's 'Green Week' agricultural exhibition.

30 International Monetary Fund announced its approval of the revaluation upwards of the Bahamian dollar from 98 US cents to equality with the US dollar; and of the proposal that the Bermuda pound (equal to one pound sterling) should be replaced by the Bermuda dollar, equal in value to the US dollar. The changes came into effect on 2nd February.

30-31 Herr Brandt, Chancellor of the Federal Republic of Germany, visited Paris for talks with the French President, M. Pompidou.

30- Representatives of the Soviet Government and the Government of the
18 Feb Federal Republic of Germany held preparatory talks in Moscow on the question of an agreement for mutual renunciation of the use of force. Further talks took place from 3rd to 21st March [see 10.4.70 p. 358].

31 Board of governors of the Caribbean Development Bank held its inaugural meeting in Nassau [see 13.2.70 pp. 161-2]

February

1 Señor José Figueres Ferrer was elected President of Costa Rica; he will take office on 8th May.

2 Commission on Anguilla [see 20.6.69 p. 538] was sworn in. It held its first session, in Anguilla, on 3rd February

4 Government experts from Norway, Sweden, Denmark and Finland agreed on a draft treaty for extended Nordic economic co-operation (NORDEK) following negotiations in Stockholm. On 6th March the Norwegian Government announced its decision to sign the treaty, which is to establish a Nordic customs union by 1st January 1972.

The Italian Minister of the Treasury, Signor Colombo, visited London for talks with the Chancellor of the Exchequer, Mr. Jenkins.

5-6 Talks were held in Warsaw between representatives of the Polish Government and the Government of the Federal Republic of Germany; the talks, which concerned the normalisation of relations between the two countries, were the first to be held since the foundation of the Federal Republic in 1949 Further talks were held from 9th to 11th March [see 10.4.70 p. 358].

7 Italian Prime Minister, Signor Mariano Rumor, resigned. Signor Rumor announced the formation of a new Centre-Left coalition government on 27th March.

9-12 European Conservation Conference held in Strasbourg [see 27.3.70 pp. 323-8]

13-14 Herr Brandt, Chancellor of the Federal Republic of Germany, paid an official visit to Denmark where he had talks with the Danish Prime Minister, Mr. Hilmar Baunsgaard.

18 President Nixon presented to Congress a statement of US foreign policy for the 1970s—*A New Strategy for Peace*—based on partnership with the United States allies, the maintenance of American strength, and a 'willingness to negotiate our points of difference in a fair and businesslike manner with the Communist countries'.

18 The Belgian Prime Minister announced proposals for constitutional reforms designed to give the country's Flemish-, French-, and German-speaking communities a measure of cultural autonomy and consultative powers in regional development.

18-21 Señor José Maria Dagnino Pastore, the Argentine Minister of Economy, visited London.

23 Guyana became a republic within the Commonwealth [see 13.3.70 pp. 269-70].

23-24 Mr. Roy Mason, President of the Board of Trade, visited Norway

23-26 The Yugoslav Federal Prime Minister, Mr. Mitja Ribicic, paid an official visit to Britain at the invitation of the British Prime Minister [see 27.3.70 pp. 306-7].

24- 3 Mar. The President of France, M. Pompidou, paid a state visit to the United States.

25 It was announced that the International Bank for Reconstruction and Development had approved a loan of $125 million, which, combined with $40 million from export finance institutions in major supplier countries, will help finance Mexico's electric power expansion programme in 1970-71.

27 The Chancellor of the Exchequer, Mr. Jenkins, visited Paris for talks with M. Valery Giscard d'Estaing, French Minister of Economy and Finance.

March

1 In elections to the *Nationalrat*, the lower house of the Austrian Parliament, the Socialist Party won 81 seats (a gain of 7), the Austrian People's Party 79 seats (a loss of 6) and the Liberal Party 5 seats (a loss of 1). A Socialist-People's Party coalition government was later formed under the leadership of Dr. Bruno Kreisky, leader of the Socialist Party and a former Foreign Minister.

Iceland became a member of the European Free Trade Association [see 10.4.70 pp. 384-5].

2 Announcement that the Italian tyre manufacturing company Pirelli and Dunlop of Britain were planning to merge their operational activities [see 27.3.70 pp. 314-5]

2-4 European Civil Aviation Conference at Neuilly-sur-Seine, Paris, considered proposals for airport security (anti-hijacking) to recommend to the International Civil Aviation Organisation

3-4 The Chancellor of the Federal Republic of Germany, Herr Brandt, paid an official visit to Britain at the invitation of the Prime Minister [see 10.4.70 pp. 356-8].

4 Treaty between Britain, the Netherlands and the Federal Republic of Germany, providing for co-operation on the production of enriched uranium by the gas-centrifuge method, signed at Almelo in the Netherlands [see 28.3.69 pp. 318-9 and 30.1.70 pp. 118-9].

8 Unsuccessful attempt was made to assassinate the President of Cyprus, Archbishop Makarios. A week later, on 15th March, Mr. Polykarpos Georghadjis, a leader of the EOKA guerrilla movement against British administration of the island and later Minister of the Interior, was murdered.

9 Council of Ministers of the European Communities reached definitive agreement on future financing arrangements and the budgetary powers

of the European Parliament (provisional agreement reached in December), thus completing arrangements for the termination of the Community's transition period.

9-11 President of the Board of Trade, Mr. Mason, visited Rumania at the invitation of the Rumanian Minister of Foreign Trade, Mr. Cornel Burtica.

11-12 The Cyprus Foreign Minister, Mr. Spyros Kyprianou, visited London for talks.

12 It was announced that Panama will undertake its first large hydro-electric project with the assistance of a loan of $42 million from the International Bank for Reconstruction and Development.

15-16 At a general election in Finland, the Social Democratic, Communist and Centre parties all lost seats, while the Conservative and Rural parties made considerable gains.

16-21 The Soviet Foreign Minister, Mr. Andrei Gromyko, visited Czechoslovakia. On 20th March a treaty of friendship, co-operation and mutual assistance between Czechoslovakia and the Soviet Union was signed by Mr. Gromyko and the Czechoslovak Foreign Minister, Mr. Jan Marko.

17 High Court Judge Arthur Chung was elected and took office as President of Guyana.

18 Ministerial commission of *Eurocontrol* (air traffic control) met in Brussels. Mr Goronwy Roberts, Minister of State at the Board of Trade, attended the meeting.

19 Herr Brandt, Chancellor of the Federal Republic of Germany, and Herr Willi Stoph, Prime Minister in the East German regime, held preliminary discussions in the East German town of Erfurt, on the normalisation of relations between the two parts of Germany [see 10.4.70 p. 358].

24 The Defence Minister of the Federal Republic of Germany, Herr Helmut Schmidt, visited London for talks with the British Defence Secretary, Mr. Denis Healey

AFRICA AND THE MIDDLE EAST

January

1 Decree establishing people's courts in Zanzibar and Pemba came into effect

1-19 Visit by Mr. George Brown, former Foreign Secretary, and Mr. Gwynn Morgan, Assistant General Secretary of the British Labour Party, to Kuwait, Bahrain, Jordan, UAR, Lebanon, Iraq, Iran and Israel.

2 Prime Minister of Sierra Leone, Dr. Stevens, visited Britain.

3 Congo (Brazzaville) promulgated a constitution renaming the country the Congolese People's Republic, under Major Ngouabi's newly formed Congolese Labour Party.

6 Twenty-year treaty of friendship signed between Tunisia and Algeria.

7 Expulsion from the National Liberation Front of Qahtan-as-Shaabi, its former leader and first President of Southern Yemen.

7-11 President of the World Bank visited East Africa.

10 Capture by Nigerian Federal troops of Owerri, headquarters of the secessionist regime [see 27.2.70 p. 195]

10-16 Under-Secretary of State at the Foreign and Commonwealth Office, Mr. Foley, visited Cameroon for the tenth anniversary celebrations.

11-13 Meeting in Cairo of Foreign Ministers of Libya, Sudan and the UAR, at which joint ministerial committees of the three states were set up to co-ordinate foreign and domestic policies.

13 British Prime Minister announced aid of £5 million for Nigerian relief, in addition to the normal development aid programme [see 27.2.70 p. 198].

14 World Bank approved $15 million loan to Morocco for industrial development.

15 Formal surrender of the secessionist forces in Nigeria took place in Lagos [see 27.2.70 p. 196].

21-22 Execution of 41 persons in Iraq following the failure of a reported plot against the government of President Ahmed Hassan al-Bakr. After Iraq had accused Iran of complicity in the attempt, diplomatic relations were broken off between the two countries.

22 Minister of Overseas Development, Mrs Hart, said that the Government was to make available to the Government of Swaziland £6,395,000 over the period 1970-73 [see 13.2.70 p 162].

23 Statement by the Ivory Coast Government that Colonel Ojukwu, the Nigerian secessionist leader, had been granted political asylum on condition that he did not engage in any political activity.

25 President Nixon made a statement of US policy on supplies of arms to Middle East states, including Israel. A French statement on arms for the Middle East was made on 7th January [see 13.3.70 p. 268]

26 President Tito of Yugoslavia began a tour including visits to Tanzania, Zambia, Kenya, Uganda, Sudan, UAR, Libya and Ethiopia, to gather support for a 1970 conference of non-aligned nations.

Signature of agreement for the construction of the first Bosphorus bridge, by an Anglo-German consortium [see 30.1.70 p. 119].

26-28 Sixth summit conference of East and Central African States held in Khartoum.

27 Agreement signed in Mauritius under which Britain is giving some £500,000 for the purchase of wheat and flour during the 1969-70 harvest year. This forms part of Britain's commitment under the Rome Food Aid Convention.

Elections in Lesotho.

28-31 Summit conference in Yaoundé of OCAM (Afro-Malagasy Joint Organisation). Mauritius was admitted as fifteenth member and the title was changed to OCAMM (Joint Afro-Malagasy and Mauritius Organisation).

30 State of emergency declared in Lesotho and the constitution suspended by Chief Leabua Jonathan. The King was placed under house arrest.

31- 7 Feb. Exchange of messages between the Soviet Union and the other three permanent members of the UN Security Council (Britain, France and the United States) about the situation arising from a recent intensification of breaches of the Arab-Israel cease-fire [see 27.2.70 p. 204]

February

2- 1 Mar. Chairman of the Crown Agents for Overseas Governments and Administrations, Mr. C. J. Hayes, visited Kenya, Mauritius, Tanzania

and Uganda to meet Heads of State and Ministers and discuss policy matters.

3-4 First annual conference of Organisation of Senegal River States at Conakry.

7 The US Secretary of State, Mr. Rogers, left Washington on a 16-day tour, visiting Morocco, Tunisia, Ethiopia, Kenya, Zambia, Congo (Kinshasa), Cameroon, Nigeria, Ghana and Liberia.

7-9 Heads of State meeting in Cairo of the 'front-line' Arab countries (Jordan, Iraq, Sudan, Syria and UAR) to co-ordinate action against Israel [see 27.2.70 p. 213].

9-14 First meeting of Technical Committee of Experts of the UN Economic Commission for Africa, in Addis Ababa.

10-22 Crisis in relations between the Jordan Government and the *fedayeen* organisations [see 27.2.70 p. 216].

12 Seventy civilians killed in a factory bombed during an Israeli air raid directed at military installations in the Khanka area (Nile Valley) [see 27.2.70 p. 211].

13 Nigeria acceded to the International Sugar Agreement.

14 Start of pumping of oil through the newly completed Israeli oil pipeline from Eilat to Ashkelon.

16 Lesotho Government decrees published confirming the suspension of the constitution, declaring the election invalid and giving the Prime Minister power to rule under a new Emergency Powers Order.

17-19 Sixteenth session of the African Liberation Committee of the Organisation of African Unity took place in Moshi, Tanzania.

19 Minister of Overseas Development said British aid to Lesotho would be suspended from April 1970 until the position had been clarified.

21 Swiss *Coronado* airliner, bound from Zurich to Tel Aviv, sabotaged in flight, killing all 47 passengers. Austrian airliner turned back to Munich (and landed safely) after an explosion in a mailbag [see 27.2.70 p. 217].

25- Archbishop of York, in his capacity as President of the United Bible
13 Mar Society, visited South Africa.

26 Following a referendum in which the people of Senegal voted overwhelmingly for a new draft constitution reintroducing the office of Prime Minister after seven years of presidential rule, President Senghor nominated Mr Abdou Diouf Prime Minister.

March

1 Conference of Foreign Ministers of the Organisation of African Unity countries, in Addis Ababa.

2-18 Assumption of republican status by the illegal regime in Rhodesia was followed by the withdrawal of their representation in Salisbury by all countries except Portugal and South Africa. On 18th March the UN Security Council adopted a Finnish mandatory resolution containing further measures to increase the pressure on the regime [see 10.4.70 p. 347].

10 Libya refused to participate in a major economic conference of Maghreb states which was due to lead to a five-year agreement on major tariff and import quota cuts between the signatories.

10-12 Meeting in London of the Economic Committee of the Central Treaty Organisation (CENTO).

11 Announcement of agreement between the Iraq Government and the Kurds to settle the nine-year-old rebellion by granting a wide measure of autonomy to the Iraqi Kurds led by Mullah Mustafa Barzani.

15-19 Visit to Britain by the Foreign Minister of Congo (Kinshasa), Mr Adoula, for talks with the Prime Minister and other Ministers.

17 Minister of Overseas Development said that Britain had offered up to £5·1 million in budgetary grant-aid and £4·4 million in interest-free loan aid for development to Botswana for the three-year period from 1st April 1970.

19 Minister of Overseas Development announced that the Malawi Government had accepted a British aid offer for the financial year 1970-71 which included a grant-in-aid of up to £2·1 million, up to £2·7 million in interest-free development loans, and a grant of £300,000 towards the building costs of Malawi University.

Minister of Overseas Development announced that during the calendar year 1970 an estimated £7 million of capital loan aid and £3·2 million of technical assistance would be provided for Kenya, and £2 5 million of capital loan aid and £2 3 million of technical assistance for Uganda.

23-25 World conference of Islamic Foreign Ministers held in Jeddah, Saudi Arabia.

23- Commonwealth conference on Education in Rural Areas held in Accra,
3 Apr. Ghana.

26 The Niger Bridge, damaged in the civil war was reopened to traffic after two and a half years

28 UN Secretary-General, having been requested by the British and Iranian Governments to use his good offices to settle differences over the status of Bahrain, appointed Mr. Winspeare Guicciardi as his personal representative to ascertain the wishes of the people of Bahrain in this matter.

British military withdrawal from Libya completed [see 16 1 70 p. 53]

Publication of policy statement on 'The United States and Africa in the Seventies', by the US Secretary of State following his tour of African countries (see 7th February)

30- Attempted *coup d'état* in the Sudan by members of the Ansar (Mahdist)
7 Apr. sect against the government of Major-General Ja'afar Numairy, led to the bombing and surrender of Ansar tribesmen on Aba Island (in the White Nile), the headquarters of the sect Later it was announced that the Imam of the Ansar, Hadi el-Mahdi, had been killed trying to escape to Ethiopia and that his nephew Sadiq el-Mahdi, a former Prime Minister, had been deported to Egypt.

ASIA AND THE PACIFIC

January

1 US Vice-President, Mr Agnew, arrived in South Vietnam, the second stop in his 11-nation tour of Asia and the Pacific which began on 29th December.

7 Leader of the Opposition, Mr Heath, paid a three-day visit to Hong Kong

8-17 President of the Board of Trade, Mr Mason, visited Thailand, the Philippines, Singapore and Malaysia to meet Ministers and local and

British businessmen, in one of a series of overseas tours to promote British exports.

14 Mr. Sato re-elected Prime Minister of Japan.

World Bank loan of $46·5 million to Electricity Generating Authority of Thailand

19 Indian Prime Minister, Mrs. Gandhi, inaugurated Tarapur Power Station, India's first nuclear plant, with a capacity of nearly 400 MW.

Board of Trade announced lifting of quota restrictions on some imports from China

20 Sino-American ambassadorial talks resumed in Warsaw, the one hundred and thirty-fifth meeting

25-29 Minister of Overseas Development, Mrs Hart, visited Ceylon to see development projects and have discussions

26 Announcement by World Bank of loan of $29 million to Ceylon for the Mahaweli Ganga scheme of agricultural and power development

26- Lord Shepherd, Minister of State, Foreign and Commonwealth Office,
2 Feb visited Fiji to discuss constitutional matters.

February

3 Japan signed nuclear non-proliferation treaty

Laos proposed to North Vietnam that Plain of Jars should be neutralised.

4 Announcement of credit of $35 million to India from the International Development Association for an irrigation project in the State of Gujerat.

10 Civilians evacuated from Plain of Jars, Laos.

11 Two British aid agreements with India signed in New Delhi [see 27 3 70 p 308]

Japan became the fourth nation to launch an artificial satellite in orbit round the earth

Soviet Union and Japan reached agreement on joint plans for building port at Nakhodka, 60 miles south east of Vladivostock.

Britain provided further grant of £112,382 for new hospital in Tongatapu Island, Tonga Total British contribution will be about 80 per cent of costs.

12 Agreement signed in Islamabad for British aid of £500,000 to Pakistan for the purchase of wheat and flour during the 1969-70 harvest year (part of commitment under Rome Food Aid Convention).

Credit of $20 million to Pakistan, to help finance the foreign exchange requirements of the Industrial Development Bank, approved by the International Development Association.

Agreement signed for Japanese loan of $100 million to World Bank

14 North Korea freed 39 of the passengers of the plane hijacked from South Korea on 11th December 1969.

28 Prime Minister of Laos, Prince Souvanna Phouma, sent letters to Britain and Soviet Union requesting consultations between the 14 Powers of the 1962 Geneva Conference on Laos. Britain circulated the letter on 19th March.

March

4-7 The Queen, the Duke of Edinburgh and Princess Anne visited Fiji and Tonga, before sailing for New Zealand.

5 The Queen presented a Royal Charter to the University of the South Pacific in Suva, Fiji. Britain is providing £1·25 million over five years towards the initial cost of the university, is meeting part of the cost of employing British staff there and is providing £5,000 in 1970 to finance scholarships for students from islands other than Fiji.

British merchant ship *Anchises* occupied by Chinese soldiers in Shanghai and its captain detained.

6 In Laos, the pro-Communist Pathet Lao put forward a five-point plan for a settlement. On 20th March an envoy was sent to Prince Souvanna Phouma to discuss the proposals.

9 British merchant ship *Glenfalloch* detained in Shanghai

9-13 New constitution for Seychelles was agreed at a conference in London [see 27.3.70 p. 305].

10 Defence Minister, Mr. Fraser, announced new £76·9 million defence programme for Australia.

11 After anti-Vietcong demonstrations in Cambodia, the embassies in Phnom Penh of North Vietnam and the 'Provisional Revolutionary Government' of South Vietnam were sacked

12- Visit to New Zealand and Australia by the Queen, the Duke of Edinburgh,
3 May the Prince of Wales (for part of the time) and Princess Anne.

12 Prince Bernhard of the Netherlands arrived in Djakarta for a two-week goodwill visit to Indonesia—the first made by a member of the Dutch Royal Family this century.

16 Announcement of British interest-free loan of £400,000 to Indonesia for the supply of crumb-rubber processing machinery, bringing total disbursements of British aid to Indonesia in the financial year 1969-70 to £2·3 million.

Osaka World Fair, Expo '70, opened in Japan

International Monetary Fund approved $25 million stand-by arrangement for South Korea for the purchase of foreign exchange.

17 British Government stated that it welcomed the proposal by the King of Tonga that Tonga should become independent on 4th June 1970.

A friendship treaty and a territorial waters agreement between Malaysia and Indonesia signed during a visit to Malaysia by President Suharto of Indonesia.

Cambodia granted asylum to two American crew members who on 15th March hijacked the US munitions ship *Columbia Eagle* on its way to Thailand. The ship was held in custody at Sihanoukville until 8th April.

18-31 Led by the Premier, General Lon Nol, and the First Deputy Premier, Prince Sirik Matak, the Cambodian Government deposed Prince Sihanouk in his absence abroad. Mr. Cheng Heng was appointed temporary Head of State. Prince Sihanouk left Moscow for Peking and in a proclamation on 23rd March said that he was still Head of State. he announced the formation of a 'government of national unity' and a 'national liberation army' to overthrow the regime. Clashes followed in Kompong Cham province between government forces and supporters of the Prince. The Cambodian Government asked Britain and the Soviet Union to re-establish the International Control Commission (22nd March).

19 Indian State of West Bengal brought under presidential rule following collapse of coalition government.

24 Agreement signed in Islamabad under which Britain will provide an interest-free loan of £150,000 to Pakistan under the Tarbela Development Fund Agreement, bringing total payments to £4·15 million out of Britain's promised aid of £10 million [see 22.11.68 p. 1116].

Second agreement signed for Japanese loan of $100 million to World Bank, bringing total to $200 million.

26 British merchant navy officers released from detention in Shanghai.

28 Terendak military camp in Malaysia formally handed over to Malaysia as part of the planned British military withdrawal from the area.

30 Broadcast by President Yahya Khan of Pakistan, in which he announced the guidelines for a new constitution to be drawn up by the National Assembly, which will be elected on 5th October.

31 The ten-thousandth Colombo Plan trainee arrived in Britain (see p. 415).

Japanese plane, hijacked by extreme left-wing students, landed in South Korea but was later forced by hijackers to fly on, with Japanese Vice-Minister of Transport as hostage, to Pyongyang. North Korea released the aircraft, hostage and crew on 5th April.

Commonwealth Sugar Agreement

The Parliamentary Secretary, Ministry of Agriculture, Fisheries and Food, Mr. Hoy, answering a parliamentary question on 16th March (*Hansard*, written answers, cols. 58-9), gave figures of the amounts of sugar purchased by Britain in 1968 and 1969 from countries participating in the Commonwealth Sugar Agreement, the prices paid and the average free market price of sugar for the years in question. The figures were as follows:

TABLE 1

	Quantity purchased in 1968 and 1969 Tons	Price paid per ton* £	s
West Indies and Guyana	725,000	47	10
Mauritius	380,000	47	10
Australia	335,000	47	10
Fiji	140,000	47	10
Swaziland	85,000	47	10
India	25,000	47	10
British Honduras	20,500	47	10
East Africa† (Kenya, Tanzania and Uganda)			

* Prices are per long ton of sugar (basis 96 degrees polarisation) free on board (f.o.b.), not including cost of carriage from port of despatch to port of destination) and stowed in bulk.

† The East African countries did not take up their quota.

The average free market price* of sugar (Caribbean ports) was

	£	s	d
1968	17	14	6
1969	29	17	1

History of the Agreement

The Commonwealth Sugar Agreement was concluded in 1951 between the British Government and sugar industries and exporters in Australia, South Africa, the West Indies and British Guiana (now Guyana), Mauritius and Fiji. British Honduras acceded to the agreement in 1954 and East Africa in 1960. As a result of the withdrawal of South Africa from the Commonwealth, the South African industry ceased to be a party to the agreement on 31st December 1961. To ensure an outlet for Swaziland sugar (which was then marketed through the South African industry) and comparable returns for her producers after that date, a separate bilateral sugar agreement was negotiated between Britain

and South Africa, which terminated on 31st December 1964. On 1st January 1965 Swaziland, India and Rhodesia acceded to the agreement, additional allocation of quotas having been made possible by the ending of the agreement with South Africa.

The agreement provides that each exporting territory shall receive the price settled by negotiation as being reasonably remunerative to efficient producers for a specified quantity (the 'negotiated price quota') of sugar sold to Britain. The agreement was originally for eight years, but up to 1967 it was consistently extended annually for one year. In 1968 it was amended and made of indefinite duration, with provision for a review every three years, beginning in 1971 [see 20.12.68 p. 1162]. This action was welcomed by the Commonwealth Prime Ministers at their meeting in January 1969 [see 31.1.69 p. 96].

Negotiated Price Quotas

The negotiated price quotas consolidated in 1965 are the quantities given in Table 1, with the addition of 7,000 tons from East Africa and also 25,000 tons from Rhodesia, suspended by the Southern Rhodesia (Commonwealth Sugar Agreement) Order 1965 after the illegal declaration of independence.

The negotiated price consists of a basic price of £43 10s per ton, plus, for the less developed countries (i.e. all but Australia), a special payment consisting of a fixed element of £1 10s (which includes benefits formerly accruing under the Colonial Certificated Preference system) and a variable element which varies inversely with the world price on a scale ranging from £2 10s when the world price is less than £31, to nil when the world price is £39 or above. The marked improvement in the world price in early 1969 was a result of the International Sugar Agreement which came into force provisionally on 1st January of that year [see 3.1.69 p. 44] and which was welcomed by the Commonwealth Prime Ministers.

Any changes not mutually agreed by the parties cannot be introduced in less than three years. For the developing countries any change in the system of negotiated price quotas is subject to six years' notice. In the event of Britain completing negotiations for accession to the European Economic Community and being unable to accept a commitment to continue in their present form after the end of 1974 contractual obligations under the Commonwealth Sugar Agreement, the British Government has undertaken to consult with the Commonwealth exporters with a view to seeking alternative means of fulfilling the objectives of the agreement. In discussions on British entry to the EEC the British Government has laid emphasis on the long-term interests of those developing countries and territories dependent on sugar exports and is keeping in constant touch with Commonwealth governments on this and other related issues [see 13.3.70 p. 257].

The British commitment for the purchase of negotiated price sugar is met by the Sugar Board,[1] constituted under the Sugar Act 1956. The board buys the sugar at the negotiated price and sells it at market prices to British refiners and other traders. In the majority of years during which the system has been in operation this has resulted in the board incurring a deficit on its transactions in Commonwealth sugar. This deficit is met from a surcharge on all sugar used for human consumption in the United Kingdom, levied for the board by Customs and Excise. The production and export of sugar from the developing countries who are parties to the agreement have been correspondingly assisted.

In addition to the British commitment to buy the negotiated price quotas, the agreement provides for the orderly marketing in Britain, New Zealand and

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[1] A summary of the functions of the Sugar Board, which deals with home-produced as well as imported sugar, is given in an appendix to the board's annual report for 1969 (HMSO, 6s).

Canada of supplies from the exporting countries in excess of them, and in normal times limits the total amounts (which include the negotiated price quotas) that can be sold in these markets; these totals are known as the overall agreement quotas.

Commonwealth Sugar Production and Exports 1968

Production and exports of sugar from Commonwealth countries (including associated states and dependencies) in 1968 were as follows:

TABLE 2
'000 tons

	Production	CSA Negotiated Price Quota	United States Quota	Other Preferential Markets (Canada etc)	Non preferential Markets	Total Exports
Australia	2,652	335	175	435	1,057	2,052
Barbados	157	142	3	6	2	153
India	2,153	25	72			97
Guyana	320	189	67	36	4	296
Jamaica	437	226	85	72		383
Trinidad and Tobago	236	134	36	25		195
Mauritius	599	380	16	199		595
Swaziland	153	85	6	36	1	142
British Honduras	62	21	14	26		61
Fiji	361	140	38	111	53	342
Antigua and St Kitts	36	34				34

Colombo Plan

CONSULTATIVE COMMITTEE MEETING AND REPORT

The twentieth meeting of the Colombo Plan Consultative Committee took place in Victoria, British Columbia, from 14th to 31st October 1969 Twenty three member countries [see 28 2.69 p 214] were represented besides observers from the Asian Development Bank, the Commonwealth Secretariat, the Food and Agriculture Organisation, the International Bank for Reconstruction and Development, the International Labour Organisation and the UN Development Programme. The British delegation was led by the Parliamentary Secretary to the Ministry of Overseas Development (ODM) Mr Ben Whitaker

Economic Progress in the Region

According to the consultative committee's seventeenth annual report, which was published in Britain in February 1970 (Cmnd 4273, HMSO, 38s).

1968 was a relatively good year for most of the Colombo Plan member countries, though all faced major problems and uncertainties about the future. Of the 12 countries for which gross product data were available, Burma, Ceylon, South Korea, Malaysia, Pakistan, the Philippines, Singapore and Thailand achieved real growth rates of 5 per cent or better. On the other hand, the four countries with slower growth rates, Afghanistan, India, Indonesia and South Vietnam, contained over two-thirds of the region's population. Korea and Singapore achieved the highest rates of growth, recording increases of over 13 per cent, while at the other end of the scale India and Afghanistan only reached 3 and 3 5 per cent. The report notes that the four fastest growing countries all had relatively favourable foreign exchange positions for most of the 'sixties. It seems probable that at least seven of the countries in the region will have achieved an annual average increase greater than 5 per cent for the entire decade: these include Korea, Iran, Singapore, Thailand, Pakistan, Malaysia and the Philippines In Ceylon, India and Indonesia, recent improvements in agricultural output and some easing of foreign exchange constraints allow at least limited optimism about future trends.

Population growth in 1968 was slightly below 2 5 per cent in most countries of the region

Agriculture

As in 1967 increases in agricultural productivity continued to provide the main impetus to national product growth in 1968, in marked contrast with the early part of the decade, when industrial output was the dynamic element and agricultural output barely kept pace with population growth. Rice self-sufficiency programmes made considerable progress in Ceylon, Malaysia, Pakistan and Indonesia, while the Philippines added considerably to stock piles. India, despite drought and floods, improved slightly on 1967's record food-grain output, while Pakistan's wheat programme came close to self-sufficiency However, in these countries where the 'green revolution' is taking place, new needs are emerging which must be met if the impetus of agricultural progress is to be maintained, these include increased transport facilities for fertiliser distribution and collection of crops, rural credit availability and storage facilities. Similarly, continuous extension of areas in which new high-yield crops can be grown depends on the provision of enlarged extension services and on increased fertiliser and water availability All these demands are expected to put considerable strain on administrative and financial resources in the immediate future. Other countries in the region also increased their agricultural output. In Cambodia there was a rise of 28 per cent in the volume of agricultural output, while in Nepal wheat production rose by 20 per cent and sugar cane output by 13 per cent.

Industry

For most countries in the region growth rates in the industrial sector were higher in 1968 than in the previous year. In Ceylon, India and Pakistan foreign exchange shortages have necessitated severe restrictions on industrial investment and on imports of industrial materials, while a decline in domestic demands has affected output in India and Malaysia and also, more recently, in Afghanistan and Thailand. In Korea, Singapore and Iran the industrial sector continued its high rate of expansion at, respectively, 32, 18 and 9 per cent, manufacturing for export continuing to provide a major stimulus to industrial growth in Korea and Singapore. In Iran petroleum was the most important factor, though here also manufacturing continued to expand. Mineral production, particularly of oil and tin, rose considerably in Indonesia, while in the Philippines too there were substantial increases in mineral production, mostly of copper

Balance of Payments

The total trade deficit for the region as a whole continued to rise, though the increase of 8·7 per cent was less than in 1967 and also less than the average annual increase of 11·7 per cent, which occurred during the 1960-66 period In 1968 exports from the region were valued at $10,252 million and imports at $13,387 million.

External Aid

The total net official flow of aid to the region from the six Colombo Plan donor countries to the 18 developing countries was $2,446 million, of which the United States provided $1,862 million, Japan $288 million, Canada $134 million and Britain $125 million

The Tasks Ahead

The consultative committee's report listed the region's outstanding problems under the six headings of: population control, increasing domestic savings increasing the supply of educated and trained manpower, creating employment opportunities for a rapidly-growing labour force, increasing the flow of external financial and technical assistance; and achieving a more efficient use of the available natural, human and financial resources The consultative committee noted that the Pearson Commission report [see 7 11 69 p 1004] had recommended that individual donor countries should increase their annual disbursements for official development assistance to a level of 0 7 per cent of their gross national product by 1975 to 1980 and that the terms and conditions of aid should be more closely related to the recipients' foreign exchange circumstances and future possibilities. It also noted the Pearson Commission's advocacy of an increase in the channelling of aid through multilateral institutions Within the Colombo Plan region both the World Bank and the Asian Development Bank have extended the level of their loan and technical assistance activities in 1968 and 1969, but these institutions are limited by their relatively small volume of funds for loans at specially reduced rates of interest the consultative committee considered that an increase in such funds was vital With regard to the structure of aid, the report believes that serious rethinking is necessary on the division between project and non-project aid to ensure that aid is being used to maximum effect

Next Meeting of the Consultative Committee

An invitation from the Government of the Philippines to hold the 1970 ministerial meeting in Manila was welcomed

THE BRITISH CONTRIBUTION

During 1968 Britain spent a total of £68 3 million on official financial aid and technical assistance for development in South and South-East Asia, bringing the total of such expenditure since the Colombo Plan began in 1950 to £569 million. Of the year's total expenditure £65 1 million was on financial aid, while expenditure on technical assistance was about £3 2 million The financial aid was made up of £9 million in grants and £56 million in loans of which £53 million (94 per cent) was interest free, repayable in 25 years and, in most cases, with a grace period of seven years before the start of repayment

Britain offered new interest-free loans to India, Ceylon and Indonesia during 1968 and has now disbursed over £181 million in interest free loans to members of the Colombo Plan since the scheme was introduced in 1965. The region continues to receive more British aid of this type than any other geographical area

TABLE 1

BRITISH OFFICIAL[a] BILATERAL DISBURSEMENTS OF FINANCIAL AID TO COLOMBO PLAN COUNTRIES

£ thousand

	Grant or Loan	1950 to 31st December 1968	1968			
			Project aid	Non-project aid		To[tal]
				Current imports	Others[b]	
Afghanistan	L	958	16			
Ceylon	G	12[c]		-		
	L	17 730	40	3,700		3.
India	G	185[c]				
	L	311 676	1,330	27 540	7 500	3?.
Indonesia	G	538		148		
	L	893		893		
Korea	L	500	32			
Laos	G	2,011	234	300	615	1
Malaysia	G	54,662[d]	1,501		1 320	2.
	L	24 999[d]	2 346		3	2
Singapore	G	5 501[d]	45		124	
	L	3 324[e]	231		284	
Maldive Islands	G	808	28			
Nepal	G	1 000	88		210	
	L	608	'	20		
Pakistan	G	133[c]				
	L	80 941	4,134	4 457		8
Philippines	G	3[c]				
Thailand	G	1				
Vietnam	G	113		75	62	
Indus Basin Development Fund	G	23 770	4 285			4
Iran	G	58				
	L	13,315	820			
Total grants		94,436	6 181	524	2 101	8.
Total loans		450,943	11 943	36,610	7,786	56
Grand total		545 379	18,124	37,133	9,888	65

[a] Includes overseas investment by the Commonwealth Development Corporation
[b] Includes special aid to Malaysia and Singapore and refinancing aid to India
[c] Does not include release of sterling balances up to 1958 under arrangements with India, Pakistan, Ceylon (£252 million)
[d] Includes war damage compensation to Malaysia and Singapore amounting to £20 816,000 g[rants] and £15,537,000 loans, during the period 1950-51 to 1955-56.
[e] Excludes gift of surplus Crystal Violet Hog Cholera Vaccine not forming part of the officia[l] programme (valued at £50,000)

Technical Assistance

There were 1,702 Asian students and trainees in Britain under the Colombo Plan during 1968; 798 new places brought the total since 1950 to nearly 9,000 (see p. 415 for further information). Most of these new places were in engineering, social sciences, medical science, transport and communications, industry and commerce, and administration. The cost of this training amounted to £1·26 million, bringing the total since 1950 to about £10 million. Private industry in Britain continued to sponsor the training of a variety of overseas personnel at its own expense. Equipment supplied for training and research during the year cost about £480,000 bringing the amount spent by Britain in this field since 1950 to nearly £5 million. Appointments of technical assistance personnel to the region numbered 119, the heaviest demand being in the fields of health, education and development planning. Britain has provided 1,104 such experts under the Plan since 1950. Among other projects, British consultants were engaged in a survey of the Indonesian salt industry, a land development scheme in Ceylon, a water desalination project in the Indus basin, a Karachi harbour development study, the landscape architecture of Islamabad in Pakistan, a Malacca water supply and sewerage survey, a Port Swettenham design study in Malaysia, the the operation of Heavy Electricals (India) Ltd at Bhopal, and subway feasibility and dry-dock design studies in Singapore A master plan is also proposed for the Asian Institute of Technology in Bangkok During 1968 Britain spent £1·4 million in providing experts and consultancies in the region making a total of about £9·4 million since 1950

Commonwealth Education Co-operation

Britain disbursed £620,000 during 1968 to provide educational assistance to Commonwealth members of the Colombo Plan under Commonwealth Education Co-operation schemes In the academic year 1967-68, scholars from the region held 296 awards in Britain under the Commonwealth Scholarship and Fellowship Plan: under the same plan there were 17 holders of senior medical fellowships besides 69 holders of medical fellowships from developing countries of the region. Four key posts in English and medicine were supported in India, and three in physics, engineering and mineralogy in Pakistan Under the Commonwealth Teacher Training Bursary Scheme 102 bursaries were awarded for the academic year 1968-69 to teachers from the Colombo Plan countries

During 1968 assistance was provided to the newly formed South-East Asia Ministers of Education Secretariat, notably a short-term visit by experts to the Science and Mathematics Centre in Penang, the provision of English teachers and a language laboratory to the regional English Language Centre in Singapore and a visit by a medical consultant to the Tropical Medicine Centre

British Volunteer Programme

British volunteers in Colombo Plan countries numbered 280 at the end of 1968, compared with 248 in 1967 These supplemented the activities of many British experts who are working in the service of Asian countries, most of them serving as teachers or in nursing, social welfare, agriculture, and so on The volunteers are of two types, 'graduate qualified' volunteers, who are either university graduates or holders of a diploma, and 'cadets', who are apprentices from industry or school-leavers.

Participation in Regional Development

In 1968-69 Britain paid another £4 6 million into the Indus Basin Development Fund, bringing to a total of £24·36 million the sums disbursed from the grant contribution of nearly £35 million which has been pledged for the fund.

TABLE 2

BRITISH VOLUNTEERS IN COLOMBO PLAN COUNTRIES

	Graduate/Qualified		Cadets	
	1968	1967	1968	1967
Afghanistan	3	4	-	-
Indonesia	2		—	-
Iran	9	6	-	—
Laos	14	10	-	1
Nepal	7	4		—
Philippines	9	5	1	1
Thailand	11	10	10	9
Ceylon	18	13	1	4
India	85	71	24	29
Malaysia	39	36	—	-
Pakistan	30	26	5	7
Singapore	12	12	-	—

As part of the Mekong River Development Scheme, Britain agreed in July 1969 to contribute £420,000 in goods and services towards the Prek Thnot hydro-electric and irrigation project in Cambodia [see 20.12.68 p. 1160]. Following a feasibility survey by British consultant engineers and visits by British advisers in technical education, a plan of operations is being studied to set up a shipyard training centre at Nongkhai in Thailand to serve the training needs of both Laos and Thailand over a considerable stretch of the Mekong. (It was later announced, on 18th March 1970, that Britain has signed an agreement with the Mekong Committee to provide technical assistance in establishing the centre at Nongkhai The purpose is to help the Thai Government build up a nucleus of skilled labour in the area and to act as a model for centres in neighbouring countries The project will be completed over the next four years during which it will be financed by the ODM and by the Thai Government at a cost of nearly £300,000; Britain's contribution will be in the region of £180,000. The British commitment will be undertaken by the Swan Hunter Group of Newcastle upon Tyne, which will provide experts and advisers for the centre's establishment and development, besides arranging for the purchase of British equipment and for training Thai staff in Britain.)

Arrival in Britain of Ten-thousandth Trainee

Further information about progress of training in Britain under the Colombo Plan Technical Co-operation Scheme was given on 2nd April, when it was announced that the ten-thousandth trainee had been welcomed by Mrs. Judith Hart, Minister of Overseas Development. The announcement stated that for the last five years the yearly average of trainees coming to Britain under the scheme had been 760. In 1969, 916 Colombo Plan students were receiving training in Britain, including 121 in medicine, 103 in engineering, 64 in administration, 47 in industry and trade, and 43 in chemistry and physics.

The latest arrival came from Malaysia, which up to the end of 1969 had sent 859 Colombo Plan students to Britain for training.

Textile Industry

MINISTER'S STATEMENT ON MERGER

In a statement in the House of Commons on 25th March, concerning the structure of the textile industry (*Hansard*, cols. 1432-4), the Paymaster-General, Mr Lever, announced that following a review by a small group under his chairmanship, the Government had approved the proposals of Imperial Chemical Industries (ICI), Britain's leading chemical concern and second largest man-made fibre producer, to increase its financial interest in the textile industry through the acquisition of Viyella and its subsequent merger with Carrington and Dewhurst. Both of these companies are among the four largest textile producing groups in Britain. Mr. Lever explained, however, that the Government's approval of this further vertical integration into textile manufacturing by fibre producers was subject to a number of conditions aimed at securing the right combination of freedom and stability in the operation of the market. The background to, and details of, the ICI proposals are outlined below.

Structure of the Industry

Between 1959 and 1968, the number of companies active in the cotton and allied textiles industry declined by over two-thirds to 1,138. This fall, stemming from the accelerated pace of mergers and from liquidations, was accompanied by a progressive increase in the proportion of manufacturing capacity accounted for by vertically organised groups, although the number of companies embracing all four manufacturing activities (spinning, weaving, dyeing and finishing) fell from 26 in 1961 to 15 in 1969. The emergence of large, vertically organised groups has been associated with the growing use of man-made fibres, which has stimulated reorganisation to the point where the textiles industries are developing into a single, multi-fibre, multi-process industry in which the choice of fibre or process is determined by the requirements of the market. Despite the large number of small and medium sized businesses which remain, the four leading groups—Courtaulds, English Calico, Viyella and Carrington and Dewhurst—are responsible, in terms of output, for approximately 47 per cent of spinning, 33 per cent of weaving, 62 per cent of dyeing and printing, and 64 per cent of warp knitting.

An extension of the degree of concentration was prevented in February 1969 by Mr. Crosland, then President of the Board of Trade, who announced that, at his request, Courtaulds had agreed to withdraw its bid for English Calico, thereby permitting a comprehensive and objective examination of the industry's structure to be carried out [see 14.2.69 p. 174]. In the light of this study—conducted by a group including the chairman of the Industrial Reorganisation Corporation and the chairman of the Textile Council—Mr. Crosland announced in June 1969 the Government's decision to declare, for a period, a moratorium on further mergers between the industry's large companies. The group had taken the view, Mr. Crosland stated, that the prospect of future mergers and acquisitions might increase the problems of management, and could seriously impede internal reorganisation and integration [see 18.7.69 p. 637].

ICI Bid for Share Capital of Viyella

The operation of the standstill decision was tested for the first time on 23rd December 1969, when ICI stated that, subject to the agreement of the Government on the issues of public policy involved, it intended to make an offer, valued at £47·5 million, for the whole of the share capital of Viyella, and to discuss with Carrington and Dewhurst the terms of a merger between itself

and Viyella. ICI stated that if these moves were successful, it would reduce its holding to less than half of the shares of the new company, which would be managed as an independent entity. The activities of Viyella and Carrington and Dewhurst are complementary in several areas, with the former oriented towards marketing and the latter towards production and processing. The merger, the statement said, would help to secure ' steadier throughput from rationalised production lines '

At the time of the imposition of the moratorium, Mr Crosland said that, while it should not be seen as precluding further major rationalisation, the Government would have to be satisfied that the benefits to the public interest of a merger outweighed the disadvantages of reduced competition. Accordingly, the Minister of Technology, Mr. Benn, established on 30th December 1969 a small group under the Paymaster-General to consider this question as it related to ICI's initiative On the basis of the group's report, the Government permitted the proposed acquisition and merger to proceed but stipulated that ICI should reduce its shareholding in the new group to less than 35 per cent as soon as possible, and that if this has not taken place within a year, ICI must not exercise more votes than if it had, that it should not use the shareholding at any time to influence the choice of fibres, and that the board of the new group would have only one director from ICI, and an independent chairman.

At a press conference following Mr. Lever's statement, the chairman of ICI, Sir Peter Allen, said that the conditions were acceptable and represented ' a statesmanlike solution to difficult problems ' On 2nd April it was announced that the board of Viyella had accepted a revised offer, worth some £53 million, from ICI, and this is currently under consideration by shareholders

Forestry Commission

FORTY-NINTH ANNUAL REPORT

The Forestry Commission published its forty-ninth annual report and accounts on 19th March (HMSO, 11s). Previous reports covered the forest year, ending 30th September In order that future reports may cover the financial year, the report covers the 18-month period to 31st March 1969 This makes direct comparisons with previous years difficult.

Speaking at a press conference, the commission's chairman, Mr Leslie A W Jenkins, pointed out that it takes 50 to 60 years for a conifer to mature and that, since the commission celebrated its fiftieth anniversary in 1969, ' it may now begin to look forward to the harvesting of mature trees from its earliest plantations'

In 1969 Britain imported timber and wood products to the value of over £650 million, of which timber accounted for £217 million British woodlands are currently producing about 10 per cent of annual requirements, and, therefore, the coming increases in production are of great significance. The change in the commission's role from that of an organisation mainly concerned with planting trees to one with a commercial production role has necessitated a major re-organisation. This began in 1965, since when the commission has made significant progress in the adoption of modern methods of management and financial control.

Under the provisions of the Countryside Act 1968 and the Countryside (Scotland) Act 1967, the Forestry Commission was given powers to provide facilities for public recreation and this it has continued to do, spending almost £350,000 on running and maintaining recreational facilities in the account

period. The commission now manages seven forest parks, totalling 478,000 acres, and 67,000 acres of the New Forest for public recreation. The commission has also offered positive assistance towards land reclamation and towards the conservation of flora and fauna. The chairman pointed out that this has special relevance in European Conservation Year [see 16.1.70 pp. 73-5]. Listing various examples of conservation carried out by the commission, he said that, 'for the Forestry Commission, every year is conservation year'.

Land and Planting

Over the report period, the commission acquired more than 63,000 acres of land for new planting; 56,700 acres in Scotland, 5,900 acres in Wales and 700 acres in England. The total area owned by the commission is now nearly 2·9 million acres, of which just over 2 million acres are forest land.

In the report period the total area of new planting was 57,300 acres, of which more than 40,000 acres were in Scotland. The annual planting rate in Scotland is to be increased to 50,000 acres by 1976. A further 11,200 acres were restocked in the period to replace plantations lost because of windblow, fire or normal felling.

A total of 42,500 acres was planted by private woodland owners, of which just over 41,000 acres received grant-aid from the commission. The planting and management grants of the dedication scheme and the planting grants for approved woodlands and small woods were increased in October 1967. By March 1969 a total of 955,290 acres had been dedicated, an increase of 80,000 acres over the period. Preparations for dedicating a further 72,000 acres were well advanced. The total area under the approved woodlands scheme fell to 169,000 acres, as some estates were transferred to the dedication scheme.

Harvest

The majority of the commission's forests were planted after 1947 and only about 25 per cent are yet in production, much of this sector producing only thinnings. Nevertheless, 1·8 million tons of timber were produced from the commission's forests in the account period, equivalent to an annual rate of 1·2 million tons. Annual production is expected to double by 1980 and to treble by 1990. The increases in production from commission forests and from private woodlands has led to the creation of some 20 new industries in the past 12 years including, in the review period, a new pulp mill at Bristol, the re-opening of a chipboard plant at Thetford and the introduction of modern machinery into four major sawmills.

A gale on the night of 14th/15th January 1968 blew down some 700,000 tons of commission trees over an area of 8,500 acres in Scotland. A further 8,500 acres of private woodlands were also destroyed. The Windblow Action Group, which was formed immediately with commission and private members, expected to have disposed of a substantial quantity of the windblown timber by the spring of 1970. By the end of March 1969, 59 per cent of the blown timber in commission forests had been prepared for clearance and 46 per cent dispatched from the forest. It is estimated that on private estates rather less had been prepared but rather more dispatched.

Finance and Research

Over 18 months, drawings from the Parliamentary Vote amounted to £22·7 million, equivalent to £15·6 million a year at the end of the period. Earnings from sales and rents amounted to £9 million. The Parliamentary Vote is used to finance the Forestry Enterprise and the Forest Authority. The first expenditure incurs interest at compound rates while the second does not. Cash grants-

in-aid over the period 1919 to 1969 totalled £196 million, on which the accrued, notional, interest was £161 million. In the period of account, £2·3 million was expended by the Forest Authority on services to private woodland owners, making an accumulated total of £21 million. More than £1·2 million was spent on research, which is concentrated on increasing rates of growth and timber yields

A new Northern Research Station is to be opened in May at the Bush Estate of the Edinburgh Centre of Rural Economy, near Edinburgh

Education

PUBLIC SCHOOLS COMMISSION

Proposals for direct grant schools to participate in the national movement towards comprehensive education were contained in a report of the Public Schools Commission published on 24th March.[1] This was the second report of the commission, the first[2] published in July 1968 having proposed a scheme whereby independent boarding schools could be integrated with the state system and play a part in meeting the country's boarding needs.

Origins of the Commission

The Public Schools Commission was appointed in December 1965 to advise the Government on the best way of integrating the public schools[3] within the state system of education [see 21.1.66 pp. 132-3]. In announcing this to the House of Commons on 22nd December 1965 (*Hansard* col. 2107), the Secretary of State for Education and Science, then Mr. Anthony Crosland, expressed the Government's wish that the public school sector should make the maximum contribution to meeting the educational needs of the country, and, in particular, that it should increasingly conform to national policy for the maintained sector.

In October 1967 the commission's terms of reference were extended to enable it to advise on how direct grant grammar schools in England and Wales and grant-aided schools in Scotland could take part in the movement towards comprehensive education. The commission was also instructed to review the principle of central government grant towards these schools.

The first chairman of the commission was Sir John Newsom, but following his resignation at the end of the first inquiry the commission was reconstituted in April 1968 under the chairmanship of Professor David Donnison.

The First Report

Background

The independent sector of education in England and Wales represents only a very small fraction of the educational system. At the time of the report only 5·5 per cent (435,045) of the total school population attended some 3,000 independent schools.

The public schools constitute the most famous of the independent schools. In 1967 there were 273, with a school population of over 107,265 (63,351 boys

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[1] *Public Schools Commission, Second Report*. Vol. 1. Report on independent day schools and direct grant grammar schools (HMSO, 18s.)

[2] *Public Schools Commission, First Report*. Vol. 1. Report (HMSO, 22s. 6d.)

[3] For the purposes of the commission, public schools were defined as those independent schools in membership of the Headmasters' Conference, Governing Bodies Association or Governing Bodies of Girls Schools Association.

and 43,914 girls) amounting to 1·4 per cent of all school pupils, but, since they concentrate on providing secondary education, they contained 2·9 per cent (92,272) of the pupils of secondary school age and 9·3 per cent (10,593) of those aged 17. All but three of the schools were single-sex institutions, 130 for boys only and 140 for girls only. Though varying greatly in size, the majority were small, about 70 per cent (192) having a secondary school population of under 400. Only five had a secondary school population of over 800.

The commission formed the view that it was in boarding education that the public schools had made their biggest and most distinctive contribution. Though they served only 2·9 per cent of the total secondary school population, they provided for over half the secondary boarding school pupils—some 60,000 out of about 107,000.

In Scotland the independent schools, the commission found, played a very small part in educational provision. There were 134 independent schools with some 18,000 pupils in 1967, representing only 2 per cent of all pupils in Scotland. As defined by the commission's terms of reference, there were only 11 public schools in Scotland—eight for boys and three for girls. Eight of these schools were either boarding only or mainly boarding in character, and they provided 2,883 boarding places in all.

Conclusions and Recommendations

With the exception of three of its members who issued a dissenting report, the commission found the public schools, particularly the boys' schools, to have a divisive influence in society.

Their divisiveness arose, it concluded, not simply because they were exclusive but because the advantages they offered—small classes, boarding education, fine buildings, well-stocked libraries and new laboratories—were enjoyed by an arbitrarily selected membership which already, in view of their social background, began at an advantage. The result was the creation of an academic as well as a class distinction between the public and state schools.

The girls' public schools did not, however, the commission thought, exercise such a divisive influence. They did not possess the same prestige as the boys' schools, entry was more flexible, staff movement between them and state schools was more frequent, and their fees were lower.

The proposals of the report were confined to boarding schools. Though its terms of reference enjoined it to concentrate on the public schools, its recommendations apply both to public boarding schools and other boarding schools in the independent school sector.

The commission proposed that suitable independent boarding schools willing to integrate with the maintained sector should be encouraged to do so, and suggested a scheme whereby such schools should as soon as possible make at least half their boarding places available to children from maintained schools who were in need of boarding education for social or academic reasons. These pupils would receive free tuition, while their boarding fees would be paid with assistance from public funds and a contribution from payments related to their parents' income.

The type of situation which would indicate a need for boarding education would include, the commission suggested, cases where parents were too ill to provide a tolerable home background, or were abroad, or where children were orphaned or abandoned, or where extreme tension in personal relationships existed at home, or where an intended course of study for which a child had a particular aptitude was not provided locally.

The commission estimated that the proportion of these assisted pupils in a school undergoing integration should reach a half within not more than seven years from the first intake under an approved scheme; from this point onward they would be regarded as successfully integrated. The scheme would be

administered by a Boarding School Corporation with the help of the local authorities and the independent boarding schools.

The cost of implementing its proposals, the commission estimated, would be about £18,400,000 annually.

The commission emphasised that since the maintained school sector was governed by a policy of comprehensive reorganisation, then the independent schools which integrated with it would have to conform as far as possible to this policy. Those which were large enough should become completely comprehensive, while those which were too small to do so, the vast majority, should extend the ability range of their intake to include pupils of an ability level corresponding with that required for courses leading to the Certificate of Secondary Education [see 7.12.65 p. 1267]. Some schools, the commission continued, would be able to adapt to the comprehensive principle by adjusting their ages of admission and cutting down the age range to participate in a 'tiering' system in which different schools provided for different age groups. Others, it suggested, could become sixth-form colleges, while a few could become 'academies' for children with special abilities in music and ballet.

The Second Report

Since the proposals in the first report were confined to the future of the independent boarding schools, the commission was instructed to consider in preparing its second report, the future of the independent day schools as well as that of the direct grant grammar schools.

Background

Direct grant grammar schools, of which there are 178 in England and Wales, are not maintained by local education authorities but receive grants direct from the Department of Education and Science. They are at present required to see that at least 25 per cent of their places are freely available to pupils who have been educated for two years in a maintained primary school. These places are usually paid for by local education authorities, though some are paid for by school governors. Further places are at the disposal of the local education authorities for allocation to pupils who may or may not have attended maintained schools, but the authorities' proportion of admissions may not, unless the governors agree, exceed one-half of the total. (The authorities take more than 50 per cent of places in 93 of the 178 schools.) Parents pay the fees for the remaining places in the schools, wholly for boarding pupils, but, in the case of day pupils, the amount payable varies with the parents' income according to an income scale approved by the Department of Education and Science.

The direct grant grammar schools take about 3 per cent of the secondary school population in England and Wales, but have 10 per cent of all sixth formers. All but one are selective schools, written examinations usually forming an important part of the selection procedure. The schools, however, vary considerably in character. Of the 178, only two are co-educational, 81 being boys' schools and 95 girls' schools. They range in size from about 200 pupils to 1,400 pupils, though only 17 have a population of more than 800. Not counting the primary and preparatory departments that are attached to 119 of the schools, there were over 101,200 pupils in direct grant grammar schools in January 1968. Of these, local education authorities paid the fees for 60 per cent (60,550). Over 63 of the schools take boarders, and of these only 30 have more than 25 per cent of their pupils as boarders.

There has, as yet, been little participation by the direct grant grammar schools in the movement towards comprehensive education. Following the circular issued by the Department of Education and Science on comprehensive reorganisation [see 3.8.65 p. 752], some discussions have taken place between

the local education authorities and the direct grant grammar schools about their position in a comprehensive system, but little change has resulted. A few schools have agreed to widen the ability range of their intake, but in September 1969 there were about 170 of the 178 direct grant grammar schools still receiving pupils from at least one authority on the same basis as before the circular

Independent day schools, as defined by the commission, are those independent schools in which no more than 25 per cent of the pupils are boarders In England and Wales there are 597 such schools, but the commission examined only the 265 of them which were recognised as efficient[1] by the Department of Education and Science. Of these, the majority, 162, are girls' schools, 53 are boys' schools, while 50 are organised on a co-educational basis. Like the direct grant grammar schools, they vary considerably in size. Over 71 per cent of the schools have less than 400 pupils, but 11 schools have over 800 pupils. The 65 public schools which are day schools are included in the above figures.

There are 79,500 senior day pupils in the independent day schools recognised as efficient. Of these, 18,000 (23 per cent) have their fees paid in full by local education authorities. Another 1,800 obtain partial assistance with their fees The authorities provide free or assisted places at independent schools in three main types of situation where the independent school provides a denominational education which is not available at maintained schools in the area; where the independent school has traditionally served as the grammar school for its district; and where the independent school possesses high academic prestige and draws its pupils from a wider area on a highly selective basis in competition with grammar schools

Conclusions and Recommendations

After careful examination of the nature of a comprehensive system, the commission concluded that day schools which received grants from central and local authorities should participate in the movement towards comprehensive reorganisation in some way that accorded with local needs and plans. Consequently, it proposed that arrangements for participation should be worked out between the schools and the local education authorities on terms approved by the Secretary of State Direct grant grammar schools that were unwilling or unable to participate in comprehensive reorganisation should retain the right to become independent schools if they wished.

The commission also concluded that day schools participating in comprehensive reorganisation should no longer charge fees, the retention of fee payers being considered incompatible with the aims of comprehensive reorganisation. These proposals were agreed to by all but two of the commission's members, but there was a wider divergence over the means of applying them, and accordingly two schemes were recommended The first involved the introduction of a new 'full grant' status. Full grant schools would receive grants from public funds to cover up to 100 per cent of their approved debts and future capital expenditure, the independent resources of the schools being taken into consideration in determining these grants. Current expenditure would be similarly financed on the principle that the staffing ratios, equipment and other resources of the schools should be no better and no worse than the general level for maintained schools with similar functions. These grants would be administered by a central body -a School Grants Committee which would also take over the functions of the Boarding Schools Corporation proposed in the commission's first report. This committee would derive its funds from local authorities and the Department of Education and Science.

[1] Independent schools in England and Wales, though receiving no grants directly from public funds, are all open to inspection and must register with the Department of Education and Science. Independent schools whose standards are regarded by the department as broadly comparable with those required of the grant-aided schools are, on application, granted the status of 'recognised as efficient'.

The second scheme was supported by members of the commission who were of the opinion that, for agreements between the local authorities and the direct grant grammar schools to work well, the local authorities should dispose of all the public money involved and assume responsibility for the direct grant grammar schools as they do for existing maintained schools. The former direct grant grammar schools would then adopt one of the forms of locally maintained status—voluntary aided, voluntary controlled, or county schools.

As for the independent day schools, the commission thought that they should also be encouraged to participate in a comprehensive system and on a similar basis to the direct grant grammar schools. With regard to those which would decide to remain outside the maintained system, it was considered that the local authorities should take up places in them solely to meet special needs that the full grant or maintained schools could not meet.

Turning to direct grant boarding schools, the commission pointed out that if the scheme proposed in the first report was implemented, these schools could become integrated independent schools of the kind recommended in that report—with half their boarders selected on grounds of boarding need, drawn from a wide ability range, with free tuition and boarding fees dependent on their parents' income. Alternatively, they could apply for the full grant status suggested for day schools, or apply for locally maintained status. In both these cases boarding fees would be charged according to a parental income scale except in the case of children with officially recognised boarding needs.

The recommendations outlined above also applied to the independent day schools and 29 grant-aided schools in Scotland.

The actual cost of implementing the recommendations was difficult to estimate, the commission explained, owing to its dependence upon the response of the schools, local education authorities and parents to any initiative taken by the Government. However, if all the direct grant grammar schools and all independent day schools in which at least 50 per cent of places were already taken by local authorities decided to participate in comprehensive reorganisation, then the additional current cost would be about £6.5 million a year.

TEACHERS

Proposals for Statutory Organisations

Proposals for a teaching council to govern the teaching profession in England and Wales and for a new advisory committee on the supply and training of teachers are contained in a report, *A Teaching Council for England and Wales* (HMSO, 4s 6d), published on 6th March. The report has been prepared by a working party set up by the Secretary of State for Education and Science, Mr. Edward Short, in July 1969 to formulate proposals for the establishment and operation of a teaching council and for national arrangements for advice to the Secretary of State on the training and supply of teachers. The report has now been sent to the various teachers' and local authority associations concerned for their comments.

Teaching Council for England and Wales

The working party recommended that the new council, for which it suggested the name ' The Teaching Council for England and Wales ', should have functions similar in essentials to those of other professional councils: the control of entry standards to the profession and to training, the maintenance of a register of its members and the assumption of responsibility for professional discipline.

The council would exercise its control of entry to the profession by making recommendations to the Secretary of State on the standards which should apply to entrance qualifications for teacher training and to qualifications for

registration with the council. Normally, after giving the new advisory body on the supply and training of teachers (see below) the opportunity to comment on them, the Secretary of State would, with parliamentary approval, give effect to the council's recommendations. If he wished to reject or modify them without the council's approval he would have to publish his reasons for doing so and inform Parliament of them

The establishment of a professional register was seen by the working party as primarily a means of enhancing the standing of the profession by replacing the concept of qualified teachers by that of registered teachers, and also as a means of facilitating the establishment and financing of the Teaching Council The council, it was recommended, should avoid the expense of a separate register by making use of the mechanised record of teachers maintained by the Department of Education and Science

On the maintenance of discipline within the teaching profession, the working party recommended that the council should establish a professional conduct committee to examine cases of misconduct and to decide whether a teacher's name should be removed from the register This committee could be assisted by a complaints committee which would establish if evidence of a case existed. Teachers struck off the register, however, would have the right to appeal to the High Court or the Judicial Committee of the Privy Council.

In appointing the working party, the Secretary of State had made it clear that the new body should have a majority of serving teachers in its membership, while he would make a minority of outside appointments to represent other interests Accordingly, the working party recommended that the council should consist of 40 members appointed by the Secretary of State 25 on the nomination of the main professional teacher associations It also suggested that those appointed directly by the Secretary of State should include representatives of the local authority associations, the universities, and of the public interest at large All the members should, however, be free to exercise their independent judgment and not regard themselves simply as delegates or representatives of the interested organisations to which they belonged The chairman would be appointed by the council members themselves, and the council would be as free as possible to regulate its own procedure

The working party considered that the council should be reconstructed every five years, each member being appointed to serve until the next date for reconstitution In view, however, of the novelty of the proposals, it was felt that the structure and functions of the council should be reviewed by another working party in three years' time

Advisory Committee on the Supply and Training of Teachers

From 1949 to 1965 the Secretary of State received advice on the training and supply of teachers from the National Advisory Council on the Training and Supply of Teachers (NACTST) Though this body was not formally wound up until 1968, difficulties in its operation had resulted in the Secretary of State managing teacher training and supply without its advice since 1965. The working party, however, considered it essential that such a body should exist as a continuing source of advice to the Secretary of State on such matters. Bearing in mind the experience of the NACTST, it thought that such a body could work efficiently only if its membership was kept to the minimum necessary to reflect adequately all the main interests involved, and if members felt free to form their own judgments without having constantly to refer back to the organisations they represented.

Accordingly, the report recommended that a new body, to be called the Advisory Committee on the Supply and Training of Teachers (ACSTT) should be established with a membership of 29. The Secretary of State would appoint 20 members on the nomination of interested organisations—the professional teacher organisations and the employing authorities—while the remainder,

including the chairman, would be appointed on his own initiative. The working party hoped, however, that both he and the nominating bodies would bear in mind the claims of serving teachers for membership of the new body.

The primary function of the ACSTT was defined as advising the Secretary of State on policy matters he referred to it concerned with the supply and training of teachers for maintained schools and establishments of further education in England and Wales. It would also, however, have the power to advise the Secretary of State on its own initiative.

Review of Professional Training

A major review of the present system of the professional training of teachers was announced by the Secretary of State in February. In a letter to the area training organisations,[1] the bodies responsible for the academic supervision of teacher education, Mr Short asked them to examine both the content and structure of the present training courses in England and Wales, associating with their review the teachers, representatives of employing authorities and students within their respective areas. It is expected that the review will take a year to complete.

No uniform procedure for the review was outlined by Mr Short, but he drew attention to areas of teacher training that had given rise to public concern and which merited attention. These included the present structure of the training course and the possibility of introducing new patterns of training, the appropriateness of a common course pattern for all students irrespective of the ages of the children they intended teaching, the existing arrangements for teaching practice, and the adequacy of the course as a training for the practical business of teaching. As for course content, Mr. Short raised the question whether the study of the theoretical aspects of education should be left to in-service training, while initial training courses concentrated more on developing educational concepts in a practical manner.

SCHOOL BUILDINGS AND THE COMMUNITY

The increased provision of facilities in educational buildings to meet a community's social as well as educational requirements was the subject of a circular to the local education authorities from the Department of Education and Science on 2nd February.[2] The principle of 'dual provision' in educational building was first raised in a previous circular of 1964, when it had been suggested as a means of obtaining better value for money in providing sports facilities.

In the circular, the Secretary of State informed local education authorities that the time had arrived for a more extensive application of the principle, particularly in view of the present restriction of expenditure on local authority services. Accordingly, he asked the authorities, in considering future building requirements to explore thoroughly with other local authority departments and interested voluntary bodies the contribution which each project might make to the recreational amenities of the area.

The full benefits of dual provision, he explained, were most likely to be obtained where the various community requirements were studied together and

[1] There are 20 area training organisations in England and Wales, each being representative of the universities, colleges of education, local education authorities and teachers in their respective areas. All are university bodies, and are responsible for supervising the courses provided by member institutions, for planning the training provision of an area, and for providing the study of education by means of courses for serving teachers and research. They are also responsible for the examination of students and for recommending those who are successful for qualified teacher status.

[2] Circular 2/70: *Co-operation in the Provision of Facilities for Educational Establishments and the Community*

the necessary facilities defined in a unified plan for area development. Thus th more ambitious schemes for dual provision would usually be associated wit areas of new housing or urban renewal, especially where choice in such matter as sites and building designs could be exercised. Where this was not possible - for example, where buildings were already under construction—minor addition or alterations, such as the provision of social and refreshment facilities, migh have value to a community out of all proportion to their low cost.

Present Development

In a speech on 10th February Miss Alice Bacon, Minister of State fc Education and Science, outlined the progress made so far in implementing th principle of dual provision. In England and Wales there were 190 schemes c dual provision under consideration, while more than 70 local education authoritie had at least one project in mind Among the projects being planned were du: provision libraries, cafeterias, combined village/school halls and various kind of sports facilities, while some local authorities were contemplating du: provision arts centres, music and drama rooms, concert halls, parents' roon and restaurants Miss Bacon cited as an example of the benefits of dual provisio the action of Nottinghamshire County Council and Bingham Rural Distri Council in combining their resources to create a sports centre, including sports hall, tennis courts, cricket pitches, swimming pool, athletics track and floodlit, all-weather games pitch. In term-time, Miss Bacon said, the spor centre was mainly used by schools during school hours, while at other time the facilities were available to the general public. Another example was a ne community project in Manchester, now awaiting final approval, which provide for the development of a comprehensive school and a further education colleg along with a library and sports centre, serving both community and education: needs The estimated cost of the project was about £2·5 million, considerab less than if the same facilities had been separately provided

The Theatre in England and Wales

ARTS COUNCIL REPORT

The creation of a 'touring grid' of municipally-managed provincial theatr large enough to accommodate major London productions is a main propos in the report of the Arts Council Theatre Enquiry (*The Theatre Today in Engla and Wales*, 10s), published in March The proposal is designed to secure th productions by the best national and London commercial companies ca continue to be staged in provincial towns, at a time when the large privatel owned provincial theatres are undergoing financial difficulties. The grid wou consist of at least a dozen theatres, bought or leased from their commerci owners by local authorities, and supported by municipal and Arts Coun subsidies

The report also recommends the establishment of a Theatre Investme Fund, to be financed from public and private sources, which would invest mon in selected productions by commercial companies in return for a share in a profits. Such a fund should, according to the report, both improve the qual of London productions and encourage the companies to make provinc tours, thus ensuring the supply of some high-class productions to the touri grid.

Present Structure of the Theatre

The professional theatre in England and Wales is described in the report as a *mixed economy consisting of two sectors, the commercial and the subsidised*. Of the commercial theatres, 40 are in London and about 30 outside London. Forty years ago London had much the same number of commercial theatres as it now has, but in the provinces there were about four times as many. The subsidised theatres (non-profit-distributing bodies aided by grants from the Arts Council and sometimes from local authorities) now number about 50, only four of which (apart from the two opera houses) are in London. The number of subsidised theatre companies in the provinces (often known as repertory companies) has almost doubled in the last ten years.

The Commercial Theatre

Concern is expressed in the report about the difficulties of the commercial theatre, particularly in the provinces. 'Outside London the commercial theatre, generally speaking, is no longer viable,' it states, 'and in London it is becoming decreasingly so.' This situation is attributed partly to rising production costs set against a stable level of seat prices and partly to the impact of television on audiences for 'live' drama.

London theatres, with their wider audiences and generally longer runs, have suffered less than their provincial counterparts, the report notes. In the provinces, theatres have frequently failed to reinvest profits in their buildings which have become drab and unattractive. They have also suffered from the growing unwillingness of London companies to tour.

Of the 30 or so commercial theatres still operating in the provinces, nine are now owned or leased by local authorities. 'If the remaining "independent" commercial theatres are to remain open the only hope for nearly all of them is to "go municipal",' the report concludes. By becoming municipally owned a theatre would acquire charitable status as a non-profit-distributing body and consequently avoid liability for selective employment tax and income tax and have its rates halved.

The purchase and necessary renovation of existing commercial theatres would place a heavy burden of expenditure on local authorities, the report admits. It could also become an increased liability for the Arts Council since municipally-acquired theatres would qualify for subsidy.

A Touring Grid

While the report accepts that probably not all local authorities will consider themselves justified in using public money to purchase and maintain the old commercial theatres, it stresses the need to preserve a grid of at least a dozen large touring theatres in the main cities of England. 'We cannot too deeply stress the social as well as the artistic need to safeguard a circuit or grid of touring theatres,' it states. These theatres would be big enough to accommodate productions by the large national companies and by their foreign counterparts. They would thus cater for productions of a size which local repertory theatres would be unable to accommodate.

Sources of Productions

The report devotes some space to considering means of securing an adequate supply of productions to occupy the proposed grid throughout the year. Pre-London tours of West End productions, Christmas pantomimes, and performances by local amateur dramatic and operatic societies could reasonably occupy the theatres for some weeks a year. National companies, such as the National Theatre, the Royal Ballet and the Royal Shakespeare Company, might be

encouraged by additional subsidies to increase their touring schedule, and further grants might also encourage some of the better repertory companies to increase their touring activities. To help occupy the remainder of the year, touring productions must be sought from the London commercial companies, the report concludes.

Theatre Investment Fund

The 'chronic scarcity of attractive productions' in London and the 'similar scarcity of touring productions in the provinces' is attributed in the report to rising production costs and the shortage of willing investors in the commercial theatre. In an attempt to remedy this situation, it proposes the creation of a Theatre Investment Fund which would allow public investment in selected commercial productions. The report sees the primary function of the fund as to 'encourage and assist reputable managements to increase the production of new plays of interest, and revivals of quality, and to cause such productions to tour as widely as possible in the provinces.'

The fund would be capitalised partly by public funds and partly by private subscription, and would make loans (normally not more than half the capital required) to selected productions of artistic merit. It would participate in the profits of any production in which it invested, and would have the right to invest in any future productions of a management which it had backed, until it had recouped its initial investment. The starting capital which, the report suggests, the fund would need is £250,000. Of this the Arts Council would supply £100,000 (from an extra government grant) and the remainder would be raised from commercial sources, either by the issue of shares or of long-term loan stock.

In selecting productions in which to invest, the fund would take into account the touring proposals of the managements concerned. In this way it would hope to encourage the commercial theatres to make their contribution, alongside the national companies, to the proposed grid.

The Subsidised Theatre

The report praises the quality and fertility of drama provided by the four subsidised national companies in London: the National Theatre, the Royal Shakespeare Company, the English Stage Company and the Mermaid Theatre. It considers that subsidies have generally been well used. It welcomes the prospect that a purpose-built theatre for young people, to be known as the New Vic, will be ready within a year, and it recommends the creation of a second such theatre in the future.

The infrequency of productions of Shakespeare is regretted in the report. 'There is far less Shakespeare inside and outside London nowadays than there used to be,' it states, 'and young people in particular have probably seen his plays less often than their fathers did.' While it considers the expense of acquiring a London theatre as a base for productions of Shakespeare and the classics to be unjustified, it would like to see a Shakespeare play always in the repertoire of the National Theatre and of the Royal Shakespeare Company.

In the provinces, the report notes the rapid increase in the number of subsidised repertory theatres over the last ten years. 'This steep gradient of growth is a measure of the vigour and promise of the repertory theatre, and provides a sharp contrast with the declining fortunes of the provincial commercial theatre during the same period.' It welcomes the increasing range of productions provided by repertory companies. 'The basic fare ten or fifteen years ago was reputable West End successes with an occasional Shakespeare or classic aimed largely at the schools audience. New plays were a rarity. Nowadays plays by

new authors, or hitherto unperformed plays by established authors, are regular feature in the theatre's calendar, and neglected classics are revived.'

The standards of performance of different repertory companies var considerably, the report observes. The prestige of the larger companies enable them to attract actors of experience and promise, but the smaller theatres ar less fortunate. 'The fundamental difficulty is to pay actors good enough salaric and provide them with decent conditions of employment,' the report state It considers that the prevailing rates of pay in the theatre are inadequate an calls for a new and comprehensive wage structure.

Local authorities are asked to undertake an increased share of the financ responsibility for the theatre. 'The future of the theatre outside London wi be mainly determined by the local authorities,' the report states. It urges ther to accept the view that a repertory theatre should be regarded as a civic amenit similar to a public library, and suggests that an authority's major role shoul be to act as a benevolent landlord. 'It should be the prime responsibility c the local authority to provide and maintain a theatre at no charge whatev to the resident company', it suggests. 'If they were all to do that, then the Ar Council would be free to devote its own contribution entirely to the artist development of the theatre.'

The Theatre in Wales

The report expresses strong support for the establishment of a Nation Theatre of Wales to be based in Cardiff. The creation of such a theatre coul be a 'decisive landmark in the country's artistic progress'. The Welsh Theatr Company has needed heavy subsidies as a result of its bilingual productio and of its touring policy, which involves heavy travelling and accommod tion costs, besides those of continually transforming village halls into makeshi theatres. The company's new policy of reducing its touring activities and playin mostly in Cardiff, Newport and Swansea should lead to a more fruitful use c subsidy, the report argues, and the Welsh Theatre Company could certainl be a valuable forerunner of the National Theatre of Wales

The proposed National Theatre in Cardiff could, through the participatio of five satellite theatres planned by the colleges of the University of Wales . Bangor, Aberystwyth, Cardiff, Swansea and Lampeter, provide a better an less costly solution to the problem of diffusing drama in Wales'

The report rejects the suggestion that a National Theatre Company shoul be established before the theatre itself is built 'The need to build the theatr we regard as the paramount necessity and such a deviation as that of buildin the company years before the theatre is built could delay or even destroy tl cherished aspiration.'

A Future Panorama

The report concludes with a sketch of the likely future pattern of the theatr if its recommendations are implemented. 'In the provinces the ownership c theatres, both touring and resident, will pass into public control and this kin of ownership (and its consequent subsidies) will be as secure and establishe as the public ownership of libraries and art galleries' There would be at lea 60 resident repertory theatres, well-equipped in all respects, adequately staffe and paying reasonable salaries at all levels. They would stage productio not only in their own theatres but many of them would tour their compani in visits to each other, to the large touring theatres and to London.

In addition to these resident repertory theatres, there would be at least dozen big theatres which could accommodate visits of touring compani providing musicals, opera, ballet, Shakespeare and other big-scale dram

'The costs of these theatres, both resident and touring, will be borne by central and local authorities in a more balanced ratio than the present one.'

In London, the report states, the mixed economy of subsidised and commercial theatres is likely to survive with certain modifications. 'The number of theatre buildings should not be allowed to fall below its present figure. . . . At least six of the theatres in Central London should be in public ownership and engaged in playing drama, opera and ballet. . . . It should be possible to see in any one year, at least one of Shakespeare's plays during a week of playgoing.'

Misuse of Drugs Bill

The Misuse of Drugs Bill, which makes new and more extensive provisions for controlling narcotic and other dangerous drugs, was given a second reading in the House of Commons on 25th March (*Hansard*, cols. 1446-1560). The Bill, which replaces the existing legislation on the control of drugs—the Dangerous Drugs Acts 1965 and 1967 and the Drugs (Prevention of Misuse) Act 1964—distinguishes for the first time between unlawful possession and trafficking and increases penalties for trafficking. It gives the Home Secretary powers to bring new substances under control as the need arises and to prohibit doctors from over-prescribing specific controlled drugs. The Bill divides drugs into three categories according to their harmfulness and relates penalties to these categories. It also provides for the establishment of two new advisory bodies to replace the existing Advisory Committee on Drug Dependence and the Poisons Board.

Need for New Legislation

Moving the second reading of the Bill, the Home Secretary, Mr. James Callaghan, said that present legislation had substantial weaknesses. Separate Acts each dealt with only limited numbers of drugs. There was no power to control the manufacture, supply or export of certain drugs, or over the number of manufacturers of and dealers in certain drugs. If a new drug was scheduled under the 1964 Act, all those who had authority to possess existing drugs automatically had their authority extended. The present law, which was slow to operate, preserved an artificial distinction between narcotics and other drugs which was now outmoded.

Mr Callaghan emphasised that there was a need for a concerted legal, social and medical effort to combat drug-taking. The Bill would serve a useful purpose, but since law enforcement which attempted to control personal consumption was difficult, it could not deal with the problem on its own.

Drug Misuse at Present

Compared with only three years ago, continued Mr. Callaghan, the pattern of drug misuse was much more complicated and serious. Then the main problem was a sharply increasing growth of heroin addiction coupled with the use of stimulants, cannabis and LSD (lysergic acid diethylamide). Today the increase in heroin addiction had tapered off- almost certainly because control by the treatment centres of supplies to addicts had reduced the amount available in the black market. But because of the control of heroin, many addicts had resorted to substitute drugs. In 1968 there was an epidemic of 'fixing' by amphetamines which was largely fed by over-prescribing by two doctors in London. This was stopped only by a voluntary scheme of restricting supplies to hospital pharmacies.

Many of the addicts then turned to methadone, a narcotic used by some treatment centres to wean patients off heroin and which general practitioners were free to prescribe.

There were now 2,000 registered heroin addicts of whom 700 were under the age of 20. But because of the over-prescription of methadone in 1969 there were also 337 cases of addiction to methadone Within the last twelve months some addicts had taken to the highly dangerous practice of injecting themselves with barbiturates.

Mr. Callaghan emphasised that an important aspect of the Bill was its flexible nature. He would be able to add a drug to the Schedule with relative ease, and drugs could be reclassified within the three groups according to their relative harmfulness.

The Bill pointed the need for continuous research and authorised it, said Mr. Callaghan. Research was going on at universities and other institutions and the Home Office itself was conducting direct research While a search was being made for the causes of drug-taking, the Government should not weaken its attempt to stamp out the 'dreadful scourge' of drug misuse

Opposition View

Mr. William Deedes, Conservative Member of Parliament for Ashford, said there were some good things in the Bill but it dwelt heavily on powers and penalties and too little, perhaps, on the people involved It was a little short of positive ways in which to help people, especially young people There were, said Mr. Deedes, not one but three separate social problems, each calling for separate diagnosis and prognosis First, there was the massive lawful prescribing of stimulants and depressants amphetamines and barbiturates Second, there was the rapid spread of illicit hallucinogens, marijuana and LSD with virtually no medical use. Third, there was the small but dangerous minority not simply on narcotics but also injecting heroin and a wide variety of substances A better 'early-warning' system was needed, continued Mr. Deedes. There was a need to know more of what was happening in schools and youth clubs There were two main instruments research and education If many young people were to be stopped from damaging themselves there must be a bigger social effort Parliament could only provide a framework for social action

Main Provisions of the Bill

The Bill divides drugs of misuse into three categories according to their harmfulness.

Class A (the most harmful) includes opium, heroin, morphine, pethadine and other narcotic drugs, recommended for the strictest control by the United Nations Single Convention on Narcotic Drugs in 1961 cannabinol and certain other hallucinogens including LSD, regarded by the World Health Organisation as particularly dangerous, injectable amphetamines, notably Methedrine. (This is the first time that injectable amphetamines and LSD have been subject to the same control as heroin.) The group also includes certain drugs not used in medicine and generally referred to as STP, DMT and DET which have not been controlled before.

Class B contains six narcotic drugs, including codeine and pholcodeine, cannabis and cannabis resin; and five stimulant drugs of the amphetamine type, for example Benzedrine, Dexedrine and Drinamyl (purple hearts).

Class C contains other amphetamine-like drugs which, on the basis of present experience, are considered to present lesser dangers.

enalties for Trafficking and Possession

Penalties are related both to the class of drugs and to the type of offence. Maximum penalties for trafficking and smuggling are raised from 10 years and/or 1,000 fine to 14 years and/or an unlimited fine. A new offence carrying the ame penalty is 'having possession of a controlled drug with intent to supply t to another' The same penalty also applies to the production of a Class A nd B drug; to anyone who is the occupier or concerned with the management of remises who knowingly permits or suffers drug transactions to take place A and B); and to doctors who contravene directions prohibiting them from ossessing or prescribing a drug in Class A or B (see below). The provision hat occupiers or people concerned in the management of premises should be unishable if they permit or suffer drug transactions to take place on their remises relates at present only to certain cannabis and opium offences. The ill extends this provision to any controlled drug but the onus of proof will e on the prosecution to show that the premises were knowingly permitted to e used for this purpose.

Penalties for unlawful possession have been adjusted and the maxima roposed are for a Class A drug, 7 years and/or an unlimited fine; Class B, 5 ears and or an unlimited fine, Class C, 2 years and/or an unlimited fine.

The penalties listed above are for conviction on indictment: summary onvictions are lower

ver-prescribing

The Bill gives the Home Secretary new powers to check over-prescribing y doctors by allowing him to ban a practitioner from prescribing, supplying r possessing controlled drugs in all three categories if he considers that the ractitioner has been supplying controlled drugs in an irresponsible manner. t re-enacts existing laws under which the Home Secretary may prohibit from rescribing a practitioner or pharmacist who has been convicted of certain ffences in connection with drugs or who has contravened regulations concerning he notification of, or supply of drugs to, addicts The Bill provides for a system f investigation by a tribunal where there are considered to be grounds for lacing such bans on practitioners.

ower to Obtain Information

New powers are granted to the Home Secretary to obtain information om practitioners or pharmacists about the supply of drugs in areas where here appear to be social problems associated with the extensive use of controlled rugs The purpose of these powers is to enable the Home Secretary to identify he source of an epidemic of drug-misuse and to introduce the appropriate ontrols to eliminate it

dvisory Machinery

The Bill provides for the establishment of two advisory bodies to be known s the Advisory Council on the Misuse of Drugs and the Expert Committee n the Misuse of Drugs, which will replace the present Advisory Committee on rug Dependence, a non-statutory body set up in 1967, and the Poisons Board, hich was set up under the Drugs (Prevention of Misuse) Act 1964 The function f the Advisory Council will be to keep the use of drugs under constant review nd to advise the Government when controls should be applied to a particular rug The membership will include not only members of the medical, dental, eterinary and pharmaceutical professions but also people with experience of he social problems connected with drug misuse.

The Expert Committee will be a small committee of professional experts ho will advise the Government, through the Advisory Council, on the details f control to be applied to a particular drug.

The Bill extends to Great Britain and Northern Ireland.

European Conservation Year 1970

CONTRIBUTIONS OF GOVERNMENT BODIES

A large number of Government bodies are making contributions towards the success of European Conservation Year (ECY) in Britain [see 16.1.70 pp. 73-5 and 27.3.70 pp. 323-8]. This was stated in the House of Commons by the Secretary of State for Local Government and Regional Planning, Mr. Anthony Crosland, on 24th March (*Hansard*, cols. 374-6)

Exhibitions

Government departments and organisations, including the Ministry of Agriculture, Fisheries and Food, the Ministry of Transport, the Countryside Commission, the Forestry Commission and the Nature Conservancy, will stage exhibits and displays illustrating ECY themes at agricultural shows, research centre open days and other appropriate occasions.

A mobile exhibition will tour the country to explain the Natural Environment Research Council's work, with special reference to ECY.

The Nature Conservancy is contributing a large number of exhibitions such as 'Impact 70—Nature Conservation and Leisure Pursuits', a 'Man and Nature' photographic exhibition, and a wildlife photographic exhibition.

The Institute of Geological Sciences (together with the Nature Conservancy) is sponsoring an exhibition and lectures under the title, 'Mineral Extraction and the Countryside'.

Competitions

The Countryside Commission is contributing a grant of £1,000 to an award scheme introduced by the standing committee of 'The Countryside in 1970' conferences, with the approval of the Duke of Edinburgh, to publicise projects which produce some physical improvement in the English countryside or make an educational contribution to increasing knowledge of the importance of the rural environment.

The Nature Conservancy and a division of the Shell-Mex and BP Group are sponsoring a 'Conservation 1970' competition designed to stimulate interest in environmental studies in schools, and the Conservancy is helping to sponsor a wildlife photographic competition.

Conferences

Among the many conferences to which the Nature Conservancy is contributing are the British Ecological Society's international symposium at the University of East Anglia, a conference on environmental research in Wales arranged in conjunction with the Institute of Science and Technology of the University of Wales, and a conference, 'Man and his Environment' to be held in Shrewsbury.

The Countryside Commission is making available a grant of £2,500 toward the cost of 'The Countryside in 1970' summing-up conference.

Conferences on the theme, 'Agriculture and the Environment' are being sponsored by the Ministry of Agriculture, Fisheries and Food, and a conference 'Farm Buildings in the Landscape', is being organised by the Ministry of Housing and Local Government, the Ministry of Agriculture, Fisheries and Food, the Countryside Commission, the Welsh Office and the Council of Industrial Design.

Publications

The Countryside Commission is responsible for leaflets, a poster and a calendar of events for ECY. The Nature Conservancy has prepared a new version of its publication, *Visiting National Nature Reserves*, and has assisted in the preparation of a bibliography, *Man and Environment, annotated list 1970*.

Other Activities

The Forestry Commission is creating new forest trails, camping and picnic sites, wildlife centres and nature reserves.

The Countryside Commission will contribute to expenditure incurred by National Park authorities on displays for ECY. The commission has published a leaflet describing its ECY rights of way survey for schools. Arrangements have been made with the Post Office for the cancellation franking of mail with suitable slogans to coincide with two ECY conferences.

Staff from the Nature Conservancy are assisting in the European youth leaders training course, and open days at Conservancy stations and nature reserves will feature ECY themes.

Centre for Educational Development Overseas

A new centre in London, the Centre for Educational Development Overseas (CEDO), established by the Ministry of Overseas Development to assist educational advance in developing countries, started its operations on 1st April.

The function of the centre is to provide information, advice and other help to those concerned with the modernisation of education at all levels. It will collaborate with other organisations operating in the field of educational development and with the British Council, whose officers in the developing countries will act, where appropriate, as the overseas arm of the centre. It will be concerned in particular with curriculum renewal and with the introduction of new techniques, in which fields it will be the prime British source of advice and assistance. It will help to establish new media and educational centres and systems in developing countries and will arrange training in Britain and overseas in various aspects of educational development, including radio and television, educational management and the production and use of educational materials and simple audio visual aids.

The centre incorporates three existing organisations which have hitherto been operating separately: the Centre for Educational Television Overseas (CETO), the Centre for Curriculum Renewal and Educational Development Overseas (CREDO), and the Overseas Visual Aids Centre (OVAC). It takes over the existing operations and obligations of these organisations, but it will be free to make its own decisions on future policy within wide terms of reference: "to promote by all means possible the development overseas of education."

The board of governors of CEDO is headed by Sir Lionel Russell as chairman and Sir Edward Boyle as vice-chairman. The former has had a long career in education, both teaching and in local authority educational administration, and was Chief Education Officer, Birmingham, from 1946 to 1968. The latter, a former Conservative Minister of Education, was a member of the Pearson Commission on International Development and is Vice-Chancellor-designate of the University of Leeds. The Director-General of the centre is Mr J. R. Bunting, who has had long experience in teaching and educational administration in developing countries, in Jamaica from 1939 to 1949 and then until 1961 in Nigeria, where he was for a time acting director of broadcasting and finally chief federal adviser on education; he was subsequently on the staff of the British Council and later became a director of a firm of educational

publishers. The headquarters of CEDO are at Tavistock House South, Tavistock Square, London WC1.

CETO

The Centre for Educational Television Overseas was established in 1962 as an independent, non-profit-making organisation to assist the advancement of education in developing countries through the use of television. The principal donors of its funds have been the Nuffield Foundation, independent television companies in Britain, the British Government (through the Ministry of Overseas Development), the Ford Foundation and the Rockefeller Brothers Fund. Practical assistance, including the use of studios, has been provided by the British Broadcasting Corporation.

Advice has been given by CETO to overseas authorities on all aspects of the establishment and development of educational television systems, the use of which is particularly valuable in regions where there is a shortage of trained teachers. Overseas personnel are trained in studio production and direction, both in London (where the centre maintains fully-equipped studios and supporting facilities) and abroad, and home-based officers are attached to overseas television services. Programme kits and television training films designed for use in overseas countries are produced, and information on current developments and materials is supplied on request and disseminated through a quarterly journal, *Educational Television International*.

Although mainly concerned with Commonwealth countries, which provide the majority of its trainees, CETO's activities have not been confined to the Commonwealth. Training has been given to educational television producers from 29 non-Commonwealth as well as from 23 Commonwealth countries. Home-based officers are at present working in Ethiopia and Ghana.

CREDO

Established in 1966 by the Nuffield Foundation and the Ministry of Overseas Development for an initial period of three years, the Centre for Curriculum Renewal and Educational Development has helped developing countries with their programmes of curriculum renewal and development. It has been administered by a small executive staff of professional educationists, responsible to a board of governors, drawn from such institutions as the Nuffield Foundation, the Department of Education and Science, the Scottish Education Department, the British Council, the Book Development Council, the Commonwealth Education Liaison Unit, the Schools Council, the London University Institute of Education, the National Union of Teachers and the Overseas Visual Aids Centre. The particular concern of CREDO has been to give advice on keeping curricula up to date and at the same time in harmony with local conditions.

OVAC

The British Government and the Nuffield Foundation also sponsored the Overseas Visual Aids Centre, which was set up in 1958 to give advice and help on all aspects of audio-visual aids to teaching, community development workers and others from overseas countries, both inside and outside the Commonwealth, and to encourage wider, more varied and efficient use of these aids. This involves co-operation with persons and organisations overseas in research into problems connected with visual and aural aids in education and all forms of training. Manufacturers are kept informed of reports and suggestions received from overseas on their equipment and material.

A large range of aural and visual aids is displayed at Tavistock House South and the use of equipment is demonstrated. Facilities for study and reference are provided, training courses are held and written material is published.

Government and Administration

New Parliamentary Building Second report from the Select Committee on House of Commons (Services). The committee recommends that the architectural competition for the new parliamentary building in Bridge Street [see 14.2 69 pp 154-5] should be held There was now some doubt following a memorandum from the Minister of Public Building and Works whether traffic could be removed from Bridge Street (as had previously been thought possible)

HMSO, 1s 3d

Parliamentary Elections in Britain

COI, R.5513/70

External Affairs and Defence

China Detained British Citizens Details were given of the seven British subjects detained, or believed to be detained, in China and of the action being taken by the British Government

Hansard, 6 4 70 cols 28-9

A Year Book of the Commonwealth, 1970

HMSO, 70s

Fiji Independence Conference

COI, Factel No 597

Economic and Scientific Affairs

Botswana British Aid The British Government has offered to provide to Botswana, during the three-year period beginning 1st April 1970, up to £5 1 million in budgetary aid and £4 4 million in development aid

Hansard 17 3.70 written answers cols. 117-8

Kenya and Uganda British Aid During the calendar year 1970 it is estimated that £7 million of capital loan aid and £3 2 million of technical assistance will be provided for Kenya, and £2 5 million of capital loan aid and £2 3 million of technical assistance for Uganda

Hansard 19 3.70 cols 589-90

Malawi. British Aid. The Malawi Government has accepted British offers of budgetary and other aid for the financial year 1970-71 These include a grant-in-aid of up to £2 1 million of budgetary assistance, up to £2 7 million of interest-free loans for approved development purposes, and up to £0·3 million in grants towards the building costs of Malawi University.

Hansard, 19.3.70 written answers cols. 207-8

Nigeria· Relief Aid. Some £1·8 million of the £5 million of relief aid announced by the Prime Minister [see 27.2.70 p. 198] had been spent up to 31st March 1970. Further

Hansard, 6.4.70 written answers cols. 31-2

requests from the Nigerian authorities for aid for rehabilitation and reconstruction have been received and are under consideration.	
Marshall Scholarships. Sixteenth annual report of the Marshall Aid Commemoration Commission for the year ended 30th September 1969.	Cmnd. 4306 HMSO, 2s 3d
Thor Delta Project. Arrangement within the European Space Research Organisation (ESRO) for special Thor Delta project.	Cmnd 4307 HMSO, 2s 6d
Preliminary Estimates of National Income and Balance of Payments 1964 to 1969.	Cmnd 4328 HMSO, 4s 6d
Bread Prices and Pay in the Baking Industry (First Report) Report No 144 of the National Board for Prices and Incomes	Cmnd 4329, HMSO, 2s
Estimates 1970-71, for the year ending 31st March 1971	Cmnd 4331 HMSO, 12s 6d
Review of the Central Training Council. Report of a committee under the chairmanship of the Rt Hon Frank Cousins	Cmnd 4335 HMSO, 2s 3d
Guide to the Classification for Overseas Trade Statistics 1970.	HMSO, 45s
Export Trade Statistics Correlation of Classification 1969-70	HMSO, 10s
British Shippers' Council Annual report 1969 for the year ended 31st December.	British Shippers' Council, 21 Tothill Street, London SW1
Maritime Industrial Development Areas Preliminary report by Professor M. H Peston and R Rees	National Ports Council, 17 North Audley Street London W1Y 1WI 30s incl postage
Holography. Notes on Science and Technology in Britain	COI R 5476 51
Organisation of Civil Science and Technology Fact Sheet on Britain.	COI, R 4735 D 5
China and Ball Clay Industry Fact Sheet on British Industry	COI, R 5776 34
Road Traffic Safety.	COI, R(SN) 5870

Social and Cultural Affairs

National Libraries Authority. A National Libraries Authority is to be established to take over the administration of the present British Museum Library, the National Reference Library of Science and Invention and other institutions, Mr Short, Secretary of State for Education and Science, announced in the House of Commons Further consideration was being given to the title, structure, scope and responsibilities of the organisation and these would form the subject matter of a White Paper, which would be published prior to any legislation [see report of the Dainton Committee, 4.7.69 pp. 592-5].	*Hansard*, 7 4 70 col 247

Site for New Library Building. Mr. Short also announced that, following a recent preliminary assessment, it might now be possible to rehouse both the British Museum Library and the National Reference Library of Science and Invention on the same site in Bloomsbury, London. The Government intended to study further the possibility of such a project.	*Hansard*, 7.4.70 col. 248
Pollution Prosecutions and Penalties. Written answer setting out the penalties for polluting the environment.	*Hansard* [HL], 15.4.70 written answers cols. 546-52
Standing Reference on the Pay of University Teachers in Great Britain (Second Report). Report No. 145 of the National Board for Prices and Incomes	Cmnd. 4334 HMSO, 6s
Hearing and Noise in Industry. Findings of a study made by the Medical Research Council and the National Physical Laboratory	HMSO, 35s
Amphetamines and Lysergic Acid Diethylamide (LSD). Report by Advisory Committee on Drug Dependence	HMSO, 6s
Public Schools Commission, Second Report (see pp. 420-2):	
Vol. 1: Report on Independent Day Schools and Direct Grant Grammar Schools	HMSO, 18s
Vol. 2: Scotland.	HMSO, 15s
A Teaching Council for England and Wales (see pp. 424-5). Report of the working party appointed by the Secretary of State for Education and Science	HMSO, 4s
Children with Cerebral Palsy. Education Survey 7. Department of Education and Science	HMSO, 6s
Learning About Space. Education Pamphlet No. 55. Department of Education and Science	HMSO, 8s 6d
1870-1970 Education Centenary. Calendar of events	DES, free
Further Education Information Service. Reports on Education No. 62	DES, free
Training of Infant Teachers. In order to alleviate the shortage of infant teachers in England and Wales, the colleges of education have been requested by the Department of Education and Science to increase the proportion of students training to be infant teachers by 8 per cent, from the present 32 per cent to 40 per cent.	Press release DES 23.2.70
Future Structure and Age Limit of the Youth Employment Service	Nat. Youth Employment Council, 97 Tottenham Court Road, London W1, free
Controlling our Environment. Fabian research series, pamphlet 283, by Lord Kennet.	Fabian Society, 11 Dartmouth Street, London W1, 3s

Britain's First Countryside Unit. The Countryside Commission's new Countryside Unit at Broad Haven in Pembrokeshire will be opened on 25th April. The unit, the first of its kind in the British countryside, will be the base for a programme of field excursions and lectures on the Pembrokeshire countryside and coast. Its aim is to offer as many people as possible a practical, guided interpretation of the landscape and to explain the change caused in the environment by nature and by man.	Press release, Countryside Commission, 1 Cambridge Gate, Regent's Park, London NW1 31.3.70
Social Security in Britain.	COI, RF.P 5455/70
Sport in Britain.	COI, R 4296/70
Promotion of the Arts in Britain	COI, R 5647/70
Immigration into Britain	COI, Factel No. 599
Race Relations in Britain	COI, Factel No. 600

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Contents

Foreign Secretary's Visit to Turkey

The Secretary of State for Foreign and Commonwealth Affairs, Mr. Stewart, made an official visit to Turkey from 5th to 9th April at the invitation of the Turkish Foreign Minister, Mr. Caglayangil. After talks with Mr. Caglayangil, he made a tour of the Gediz area of western Turkey, which had been devastated by a series of earthquakes on the night of 28th-29th March.

On 7th April Mr. Stewart signed a loan agreement for £3.5 million as a contribution towards the building of a suspension bridge across the Bosphorus. The loan is provided as part of Britain's continuing aid to Turkey as a member of the Organisation for Economic Co-operation and Development's Turkish Aid Consortium [see 30.1.70 p. 120].

Also on 7th April Mr. Stewart called at the Central Treaty Organisation (CENTO) headquarters. In an address to a special session of the CENTO Council of Deputies he emphasised Britain's continued interest in, and support of, the organisation.

Speaking in the House of Commons after his return (*Hansard*, 13.4.70, col. 1029) Mr. Stewart described Turkey as 'a country with which we have close and friendly relations and with which we are in alliance, both in NATO and in CENTO. The CENTO alliance seems to me to be an undramatic but enormously valuable contribution to that general reign of common sense in the Middle East region, which is to the advantage both of its people and of the United Kingdom. It provides a degree of security for the regional members of the alliance, and, encouraged by that, they have been able to proceed in a steady and sensible programme of economic progress.'

Talks with Turkish Foreign Minister

Mr. Stewart was received by President Sunay and the Prime Minister, Mr. Demirel, on 6th April, and he had a series of official talks with the Turkish Foreign Minister on 6th and 7th April, after which a joint statement was issued. The statement indicated that the wide-ranging talks had reviewed bilateral relations and international problems, with particular attention to European problems, the situation in the Middle East and the question of Cyprus. The Ministers noted that their views on major international questions were very close. They stressed the importance of improving East-West relations, and expressed their concern at the dangerous tensions engendered by the Arab-Israel dispute, affirming that 'all efforts should be made to reach a just and permanent solution to the dispute in conformity with the resolution of the United Nations Security Council of 22nd November 1967.' The Ministers discussed the latest developments in Cyprus, 'in the light of their continuing commitments under the 1960 agreement';[1] they hoped that the exploratory

[1] When the Republic of Cyprus was established on 16th August 1960, a Treaty of Guarantee was signed by the Republic on the one hand and by Britain, Greece and Turkey on the other. Under the terms of this treaty Britain, Greece and Turkey guaranteed the independence, territorial integrity and security of the Republic and also the state of affairs established by the basic articles of its constitution, which were intended to ensure that the rights and interests of the two major communities, Greek-Cypriot and Turkish-Cypriot, should be fully respected and kept in balance.

talks between the two communities would be continued and would succeed in establishing a basis for a peaceful settlement acceptable to all parties concerned.

The statement continued: ' With regard to bilateral matters, the Ministers noted with pleasure that in every field relations between the two countries were most satisfactory. The Ministers expressed the hope that the close co-operation between the two countries in matters of trade, culture, tourism, science and technology would be further developed and intensified.' Britain's participation in the Bosphorus bridge was described as a ' striking symbol of the closer ties between Turkey and the United Kingdom '

Mr. Stewart has invited Mr. Caglayangil to pay an official visit to Britain

British Aid for Earthquake Victims

On 8th April Mr. Stewart flew to Eskishir to visit the earthquake disaster area around Gediz. The earthquake killed some 1,087 people and has left an estimated 90,000 homeless. On his arrival in Ankara, Mr Stewart expressed his sorrow and sympathy, on behalf of the British Government and people, to the victims of the disaster. Immediately after the disaster Mr Stewart had asked the Turkish Red Crescent what Britain could do to help, the Turkish authorities forwarded a list of the items most urgently required, and on 1st April a Royal Air Force airlift of tents, blankets and food, supplied by the British Government, began from Cyprus The British Government also placed freight aircraft at the disposal of the Disaster Emergency Committee, set up to co-ordinate the work of the British voluntary organisations involved in relief activities—the British Red Cross, Oxfam, Christian Aid, War on Want, and the Save the Children Fund. The appeal by these organisations for funds has produced some £322,000 in contributions from the British public The money is being used to meet both immediate requirements such as the care and accommodation of the homeless, and in long-term projects in conjunction with the Turkish authorities -for example, re-accommodation and the care of orphaned children.

The joint statement issued after Mr Stewart's visit said that, in addition to the emergency aid already supplied [the British Government has given supplies to the value of £15,000], Britain wished ' to contribute substantially to longer-term relief and reconstruction for the area in close consultation with the Turkish authorities.' Mr Caglayangil expressed his Government's appreciation of British help

Visit of Swedish Prime Minister

Mr. Olaf Palme, the Swedish Prime Minister, arrived in Britain on 6th April for a three-day official visit at the invitation of Mr. Wilson, who visited Sweden in July 1969 [see 29.8 69 pp. 755-6]. The talks between the two Prime Ministers were confidential and no communique was issued, but Mr Wilson said in the House of Commons on 9th April (*Hansard*, cols 746-51) that they had covered ' the future of Europe in all its aspects and other matters of international interest including South-East Asia, Africa and the Middle East We were also able to review the whole field of Anglo-Swedish technological co-operation

Mr. Palme also had discussions with Mr Thomson, the British Minister responsible for European affairs, and spoke on Swedish foreign policy and his country's approach to European economic integration at a Foreign Press Association lunch.

Speech to Foreign Press Association

In his speech to the Foreign Press Association on 7th April, Mr. Palme described relations between Britain and Sweden as good, with no serious bilateral

problems outstanding. His introductory remarks dealt with Swedish foreign policy in the light of present European developments. He described the fundamental principle of Swedish foreign policy as 'freedom of alliances in peace time aiming at neutrality in case of war.' This policy of neutrality enjoyed the support of all political parties in Sweden and the majority of Swedish people. 'We are not going to depart from it,' Mr. Palme told his audience. The well-balanced political system formed by the Nordic countries had promoted the stability prevailing in the north of Europe in the post-war period, and had proved to be 'a useful element of the post-war European structure.' While Sweden's military defence must be kept at a modern and efficient level, 'we must also see to it that our international relations and activities do not give other countries justified reason to question the credibility of our policy. The Swedish Government has to keep this in mind when we consider the problem of our participation in European co-operation and our approach to the Common Market. We think that we have noticed an increasing understanding among the EEC countries of the value of Swedish foreign policy as regards the political balance and peaceful development in our part of Europe. This may facilitate the discussions that we hope to have with the EEC about our future relationship with the European Communities.'

Nordic Economic Co-operation

Mr. Palme spoke of the spectacular development of intra-Nordic trade, the past ten years having seen an increase of about 200 per cent. 'This is largely due to the tariff-free market created through the European Free Trade Association (EFTA). This is an important part of the background to our endeavours during the last two years to strengthen still further the foundations for Nordic development through what has come to be known as Nordek' [The four Nordic Governments of Sweden, Norway, Denmark and Finland have accepted the material contents of a draft treaty for extended economic co-operation, the treaty remains to be ratified]. Mr. Palme said that the Nordic countries 'are determined to make every effort to maintain the free flow of trade among themselves. It would seem that the movement, which now seems under way, towards enlarged European economic integration should lead to the creation of tariff barriers in a part of Europe where none exist today.'[1]

Sweden and the EEC

Describing Sweden as a country with a highly-developed industry and a very large foreign trade, mainly centred in Western Europe, Mr. Palme considered that his country could usefully contribute to the process of European economic integration. Likewise the Nordic countries as a whole, which at present imported more from the EEC countries than from the United States, 'obviously should not stay outside economic co-operation in Europe. . . . We believe that the economic problems connected with our adherence to the Common Market are relatively small and that Sweden, by and large, will be able to accept the economic obligations of the Rome treaty. We are fully aware that they would imply a certain limitation of our freedom of action. This would be acceptable to us as long as our freedom to pursue our policy of neutrality is not being

[1] Questioned in the House of Commons as to whether he had given the Swedish Prime Minister an assurance that nothing would be done during negotiations to disrupt EFTA, Mr Wilson replied that the discussions on negotiations with the EEC were within the context of agreement made at the EFTA Ministerial Council in April 1967 [see 12.5.67 pp. 484-5] [The third paragraph of the communiqué issued after the council meeting stated 'In affirming their intention to work towards the goal of European economic integration, all the EFTA Governments reiterated their strong interest in safeguarding, as an important part of an enlarged European Community, the free market already established in EFTA by the successful dismantling of trade barriers within the Association.] In reply to a further question as to whether the British Government accepted the principle of parallel negotiations between Britain and the EEC and those other EFTA countries also wishing to join the EEC, Mr. Wilson said that there would be bilateral discussions throughout the negotiations between the EFTA countries, but that Britain would negotiate alone and not as part of a general team.

affected.' The question of the compatibility of Sweden's neutrality and the variously interpreted political arms of the treaty of Rome would require clarificatory discussions with the EEC countries. 'We must consequently leave open the question of the adequate form of our relationship with the Community until after we have had talks with the EEC. We may reach a much clearer view on this problem when all the economic implications in connection with an enlargement of the Market to include also Sweden have been discussed. But we do not exclude any form of co-operation.'

Britain and the EEC

'Sweden has, from the very beginning, supported Britain's efforts to join the Common Market,' said Mr. Palme. 'We therefore sincerely wish that the British negotiations with the EEC, which we hope will start soon, shall eventually be successful. Without Britain's membership there will be no enlargement at all.'

European Co-operation and East-West Relations

Mr. Palme said that he believed that extended European co-operation, including Britain and the other EFTA countries, would 'contribute to a peaceful development and a *rapprochement* between the countries of East and West. Every effort to this end should be made in a way that facilitates contacts and co-operation with the East European countries. This would be in line with the present encouraging trend towards *détente* and greater understanding between the two parts of divided Europe. It is my belief that, for instance, the success of the negotiations now in progress between the Federal Republic of Germany and her Eastern neighbours could be of great importance to peace in Europe.' [see 10.4.70 p. 358].

Anglo-Swedish Economic Relations

Sweden is at present Britain's third largest trading partner in Europe. In 1969 Britain exported £302 million worth of goods to Sweden (28 per cent of Britain's total exports to the EFTA countries), over the whole range of manufactured articles, but primarily electrical and non-electrical machinery, transport equipment, chemicals and petroleum products and textiles. Britain imported from Sweden some £332.9 million worth of goods (26.7 per cent of Britain's total EFTA imports), primarily paper and paper products, non-electrical machinery, iron, steel and iron ore. Although there is only one formal agreement on technical co-operation—on the peaceful uses of nuclear energy—between the two countries, co-operation is extensive at industrial and other levels, reinforced by a firm pattern of discussions at ministerial and other governmental levels.

The Budget 1970-71

The Chancellor of the Exchequer, Mr Roy Jenkins, opened his Budget for the financial year ending 31st March 1971 in the House of Commons on the 14th April (*Hansard*, cols 1212-53) In his introduction he said that over the past two years it has been necessary to give priority to a massive switch of reserves into the balance of payments and that other aims of policy had been subordinated to this. The main task now was to maintain the strength of the current position and to guide the economy into steadily increasing growth.

Two and a half years ago the main economic problem had been to convert a large balance of payments deficit into a substantial surplus and then to maintain that surplus over a period of years until Britain's short-term and medium-term debt had been repaid

Policies on taxation and public expenditure had transformed the accounts of the public sector as a whole. A borrowing requirement of £1,956 million in the financial year 1967-68 was reduced to one of £450 million in 1968-69 and then replaced by a surplus of about £600 million in the financial year that had just ended. At the same time tight monetary policies had created conditions that had reinforced the restraint of home demand, and domestic credit contracted moderately in 1969 in contrast to large increases in 1967 and 1968. About half of the increase in Britain's national output during the last two years had been devoted to improving the balance of payments and to raising the level of manufacturing investment

The improvement in the balance of payments had been dramatic. The target set in the spring of 1969 had been a surplus of £300 million on the basic balance—current and long-term capital for the financial year 1969-70. In the first three quarters up to December 1969 the seasonally adjusted surplus was £451 million For 1969-70 as a whole it was unlikely that the surplus was less than £550 million and it may have been considerably larger.

Britain's net adverse position in respect of medium-term and short-term debts over the past 15 months had been reduced by over three-quarters, from £2,354 million to £525 million.

Against this background of economic success and with the prospect of the maintenance of a surplus fully adequate to Britain's continuing need to repay debt and build up reserves, the main features of the Budget were tax reductions amounting to £220 million a year and a slight easing of the credit squeeze.

The main tax concessions were an increase in the personal income tax allowances, which would cost the Exchequer £175 million in a full year, and an increase in the exemption limit on surtax.

Although a reasonably tight monetary policy would remain operative in the year ahead, the Chancellor reduced Bank Rate from 7½ per cent to 7 per cent, replaced the quantitative controls on bank lending (which had been in force since November 1968) by variable special deposits, and cut the rate of import deposits from 40 per cent to 30 per cent. A new ceiling for domestic credit expansion was set at £900 million for the current financial year, compared with a net contraction in 1969-70 The use of the special deposit instrument would begin on 6th May when the London clearing banks would increase such deposits

placed with the Bank of England from 2 to 2½ per cent.

It was intended that the London clearing banks would limit growth in private bank lending to 5 per cent over the twelve-month period to March 1971. This growth limit would also apply to finance houses. It was not intended that there would be increased finance for personal consumption but that additional credit would be available where it would contribute to the balance of payments.

The level of corporation tax would remain at 45 per cent and the exchange rules affecting overseas investment would be maintained.

In discussing the broader aims of economic policy, the Chancellor emphasised the need to keep the growth of total demand in the economy in line with the increase in productive potential. He warned that if serious inflation got a grip it would be very difficult to shake it off, and that it would be the weaker members of society who would suffer. The illusion, he said, that money incomes could be pushed up by the kind of figures which had recently become common in industrial bargaining without producing harmful effects of this kind, was a dangerous one. He affirmed that everyone concerned with wage settlements should understand that if Britain was to achieve the reasonable stability of prices which was necessary for a sound economy and a healthy social framework, incomes could not for long continue to rise at their recent rate.

Budget Statistics

The statistical tables contained in this summary of the Budget statement show tax receipts for 1969-70 and estimated tax receipts for 1970-71 (Table 1), a functional analysis of central government expenditure on the Supply Services, 1968-69 outturn and 1969-70 and 1970-71 Estimates (Table 2), a summary of Consolidated Fund receipts and issues in 1969-70 and estimated levels for 1970-71 (Table 3); and a summary of National Loans Fund receipts and payments 1969-70 together with estimated levels for 1970-71 (Table 4).

The sources of this data are Tables 1, 3 and 4, *Financial Statement and Budget Report 1970-71*; Table 2 *Estimates 1970-71 Memorandum by the Chief Secretary to the Treasury*.

Britain's Economic Growth Over the Past Two Years

The Chancellor developed his review of the British economy by quoting changes in a number of key economic indicators over the period between the middle two quarters of 1967 and the last two quarters of 1969, the latter being the latest six-month period for which figures of national income and expenditure were available. These indicators, expressed in real terms (i.e. discounting price changes), can be summarised as follows:

Gross national product	6½ per cent
Exports of goods and services	24 per cent
Manufacturing production	11 per cent
Imports of goods and services	10 per cent
Manufacturing investment	13 per cent
(1) Personal consumption	rose by less than 4 per cent
(2) Public sector expenditure on goods and services (including investment by the nationalised industries)	fell by 2½ per cent
(1) and (2) combined	2 per cent

EXTRACTS FROM BUDGET SPEECH

Balance of Payments

The Chancellor referred to the target which he had set of a surplus of £300 million on the basic balance (current and long-term capital) for the

TABLE 1

TAXATION AND MISCELLANEOUS RECEIPTS *£ million*

	1969-70		1970-71 Estimate	
	Budget Estimate	Outturn	Before Budget changes	After Budget changes
Taxation				
Inland Revenue				
Income tax	4,881	4,900	5,800	5,653
Surtax	240	255	280	277
Corporation tax	1,805	1,687	1,900	1,900
Capital gains tax	136	127	150	150
Death duties	380	365	365	371
Stamp duties	120	120	120	119
Special charge	25	20	4	4
Other	3	2	1	1
Total Inland Revenue	*7,590*	*7,476*	*8,620*	*8,475*
Customs and Excise				
Tobacco	1,125	1,143	1,160	1,160
Purchase tax	1,101	1,110	1,260	1,260
Oil	1,309	1,302	1,380	1,380
Spirits, beer and wine	844	862	905	905
Betting and gaming	109	119	119	120
Other revenue duties	10	10	10	10
Protective duties	220	228	230	230
Import deposits	175	189*	390	−425
Less Export rebates, etc	9	11	−5	−5
Total Customs and Excise	*4,534*	*4,952*	*4,669*	*4,635*
Motor vehicle duties	422	419	431	431
Less Export rebates, etc	2	-2	−1	−1
	420	*417*	*430*	*430*
Selective employment tax (gross)†	1,920	1,888	2,042	2,042
Total taxation	14,464	14,733	15,761	15,582
Miscellaneous Receipts				
Broadcast receiving licences	102	101	102	102
Interest and dividends	87	92	100	100
Other	355	340	340	340
Total	15,008	15,266	16,303	16,124

Source: *Financial Statement and Budget Report 1970-71*

* Import deposits were extended for a further period of 12 months from 5th December 1969.

† Respective figures for net yield of selective employment tax from the private sector and public corporations are (left to right): £606m., £527m., £588m., £588m.

financial year 1969-70. 'In the first three quarters, up to December, our surplus, seasonally adjusted, was £451 million. For 1969-70 as a whole it is unlikely that the surplus was less than £550 million, and it may have been considerably larger.' 'In the last two quarters of 1969 our surplus was at an annual rate of £550 million on current account and £740 million on current and long-term capital account combined.

'The March trade figures, showing a moderate surplus, give us a surplus on visible trade for the first quarter of £36 million, better even than the two strong quarters which preceded it. It brings the visible surplus for the past nine months to £87 million. This is not only a transformation from the large deficits of a couple of years ago, but quite different from the traditional pattern of our trade for visible surpluses have been earned in only two years since 1822.

'Invisible earnings have also risen strongly. Net invisibles in 1969 were £524 million—more than double the figure for 1967.'

'As a result, our current account was in surplus in 1969 by £366 million. Our basic surplus, despite a first quarter deficit, was £387 million, or £457 million after adjustment for Eurodollar borrowing for overseas investment. These are the largest positive figures ever recorded either for current account alone or for current and long-term capital account combined.

Short-Term and Medium-Term Debt Repayment

The Chancellor, referring to Britain's short-term and medium term debts said that these had reached their peak at the end of December 1968. 'The total was then $8,071 million, or £3,363 million. It was a formidable sum but it bore no relationship to the wildly exaggerated figures which were bandied about in some quarters.'

'By short- and medium-term debt I mean the assistance which we took from the IMF, central banks and certain other institutions such as the Bank for International Settlements. I do not include longer term obligations, details of which are always published and almost all of which were incurred before 1964. Since then, there have, in this category, been two German offset loans and borrowing from the Ex-Im Bank to finance the purchase of U.S. military aircraft. The total of these loans since 1964 now outstanding is about £300 million. They have been exceeded during this period in a ratio of 8 to 1 by our private long-term investment abroad. Nor, of course, do I include what are commonly called the sterling balances. These are liabilities but of a very different character from our other debts, and they have been with us for a very long time. They are part of the working balances and reserves of the sterling area countries and the working balances, too, to some limited extent, of those outside the sterling area who trade with us and with the sterling area. They are an important part of world liquidity, which, if not held in sterling, would have to be held in some other currency. At the end of 1968 our short- and medium-term debt amounted to £3,363 million. Our reserves then stood at £1,009 million. Our net adverse short- and medium-term foreign exchange position was therefore £2,354 million.

'In the first quarter of 1969 we repaid debt to the extent of £252 million and in the second quarter, we repaid another £93 million.'

'In the early part of October the question of the parity of the deutschemark which had overhung the world monetary scene for the previous 18 months was satisfactorily settled—a tribute to the courage of the new German Government and the Bundesbank. This, together with the clear improvement in our own position, meant that the real turning point had arrived. In the fourth quarter we repaid £397 million of debt. The outturn for the year 1969 was a debt reduction of £699 million, accompanied by an increase in the reserves of £44 million.

'Progress so far in 1970 has been even better. In addition to the currency

TABLE 2

GENERAL ANALYSIS OF THE ESTIMATES BY PROGRAMME

	1968-69 Outturn		1969-70 Budget Estimates		1969-70 Total Estimates		1970-71 Estimates	
	£m	% of total	£m	% of total	£m	% of total	£m	% of total
Defence budget	2,247	20·7	2,266	19·2	2,275	18·6	2,280	17·8
Other military defence	90	0·8	83	0·7	91	0·7	95	0·7
Overseas aid	203	1·9	212	1·8	225	1·8	218	1·7
Other overseas services	130	1·2	134	1·1	139	1·1	135	1·1
Technological services	170	1·6	197	1·7	205	1·7	184	1·4
Other assistance to employment and industry	880	8·1	842	7·1	997	8·2	975	7·6
Research councils, etc	85	0·8	97	0·8	99	0·8	110	0·9
Agriculture, fisheries and forestry	345	3·2	395	3·4	376	3·1	383	3·0
Roads and public lighting	287	2·7	325	2·8	341	2·8	373	2·9
Transport	207	1·9	190	1·6	199	1·6	165	1·3
Housing ..	165	1·5	193	1·6	193	1·6	250	2·0
Local environmental services	32	0·3	47	0·4	47	0·4	49	0·4
Law and order	236	2·2	260	2·2	269	2·2	294	2·3
Arts	15	0·1	17	0·1	18	0·2	21	0·2
Education	342	3·2	349	3·0	358	2·9	378	3·0
Health and welfare	1,308	12·1	1,389	11·8	1,460	11·9	1,554	12·1
Social security	1,246	11·5	1,356	11·5	1,365	11·2	1,432	11·2
Financial administration	217	2·0	237	2·0	246	2·0	272	2·1
Common services	164	1·5	217	1·8	218	1·8	258	2·0
Miscellaneous services	44	0·4	46	0·4	48	0·4	50	0·4
Selective employment tax refunds (including refund element of manufacturers' premium)	726	6·7	1,080	9·2	1,093	8·9	1,151	9·0
Non-specific grants to local authorities	1,702	15·6	1,868	15·8	1,971	16·1	2,164	16·9
Total ..	10,843	100·0	11,800	100·0	12,233	100·0	12,791	100·0

Source. *Estimates 1970-71 Memorandum by the Chief Secretary to the Treasury*

inflow, we also received in January our allocation of £171 million of Special Drawing Rights. Using all these resources, we were able, by the end of March, to reduce debt by a further £1,010 million, while adding another £76 million to the reserves.

'In sum, therefore, we have improved our position by £1,829 million over the past 15 months. This means that our net adverse position has been reduced by over three-quarters, from £2,354 million to £525 million

'Our outstanding short- and medium-term debt, expressed in dollars, has come down from over $8 billion [$8,000 million] to under $4 billion [$4,000 million]. Of the remaining debt, $2,400 million is to the IMF, the first repayment of which is due to be made in June 1971

'Assistance under short-term facilities of the swap variety is down from over $4 billion to $800 million less than one-fifth of that out-standing at the end of 1968 The Fed. [Federal Reserve Bank] swap, which at $2,000 million is our main line of central bank credit, is now completely clean and unused'

'This improvement of over £1,800 million has occurred during a 15-month period when our balance of payments surplus, substantial though this is, has been of the order of only £500 million'

'We can afford to be slightly more relaxed on this front, but we shall continue to need a strong balance of payments, because our capacity to repay debt will henceforth be more directly related to that surplus, and because we shall continue to need, over the years ahead, to build up our reserves which are still low by comparison with other major industrial countries

Monetary Policy in 1969-70

'Monetary policy has played an important part in the transformation I have described. A year ago I stressed that fiscal and monetary policy would both be more effective if each was working in harmony with the other The last 12 months have demonstrated that this is so

'The past year has seen a powerful strengthening of the gilt edged market . . . The results, in terms of stock bought from or sold to the non-bank public are these. in the first half of 1969, net purchases by the authorities from the public of somewhat over £80 million in the second half of 1969 net sales to the non-bank public from the authorities of nearly £500 million

'The other main ingredient in monetary policy has been the control of bank lending Towards the end of 1968 I asked the London clearing banks and the Scottish banks to reduce their lending in the categories covered by the ceiling to a level 2 percentage points lower than at the time of devaluation in November 1967. . . Over the calendar year 1969, restricted lending by the banking system as a whole fell by about £40 million Our policies have brought about a very marked and satisfactory change in the pattern of lending within the ceiling in favour of the categories to which we have given priority in the interests of the balance of payments'

'To sum up, monetary policy in 1969 was very tight by any standard

'The figures for domestic credit expansion illustrate the tightness of monetary policy dramatically domestic credit contracted by about £200 million in 1969, compared with an expansion of about £1,900 million in 1968 In the financial year 1969-70 the contraction of domestic credit will have been greater than in the calendar year 1969 The expectation, expressed in my Letter of Intent to the IMF last May, that domestic credit expansion in 1969-70 would be within a figure of £400 million, has thus been more than fulfilled'

Prospects for 1970-71

Turning to the prospects for the year ahead the Chancellor said that world trade seemed likely to grow less this year than in the past two years. 'But its

'th in the past two years has been exceptionally fast, especially in manu-ıres, which were up about 17 per cent in both 1968 and 1969 compared an average of 9½ per cent a year over the previous decade.'

'The outlook on the international monetary scene is considerably better for some years. There is no speculation about the parities of any of the ı currencies. The inauguration of the Special Drawing Rights scheme, with listribution on 1st January 1970 of the first allocations, was a highly satis-ıry development. In addition, agreement has been reached on quota increases ıe International Monetary Fund.

'During 1968 and 1969 our exports rose much more rapidly than imports. year, the growth of exports is likely to moderate, with the slow-down in d trade. Even so, they have probably not yet exhausted the full gains resulting ı devaluation.

'Increased growth in the volume of imports is likely from now on, associated a higher level of activity at home; but import prices may be expected to ess fast than last year, so that the size of the import bill should be acceptable. ng account, also, of invisible earnings, which have shown great strength ıg recent years, this means that we should have a strong balance on current unt during at least the next 12 to 18 months, even though the surplus may uate from quarter to quarter.'

'On any reasonable "central" estimate, we can look forward to the ıtenance of a surplus fully adequate to our continuing need to repay debt build up our reserves'

nce of Payments Measures

The Chancellor then referred to certain policies and measures which bear .tly on the balance of payments.

'A start has been made towards phasing out the import deposit scheme. December, Parliament enacted powers to continue the scheme for a further ıonths, but at a reduced rate of 40 per cent. . . . There are clear advantages hasing out the scheme gradually, as the balance of payments situation ııts A further move is now justified and I have, therefore, decided to reduce ate of deposit from 40 per cent to 30 per cent as from 1st May.

'I have also considered overseas investment policy. This has been a subject newed discussion in recent months, and arguments have been put to me by CBI [Confederation of British Industry] and others about the value of seas investment and the effects of the restrictive measures which are and been in operation.

'The present restrictions are designed less to prevent direct investment seas than to shift its financing. In fact, direct investment overseas assisted orrowings on overseas capital markets has shown a continuing, substantial healthy increase during the past four or five years; and we can warmly ome the future earnings which this should bring.

'As our position improves, it will be right to keep the possibility of relaxa-, under review. This is a direction in which we shall need to move in prepara-for entry into the EEC. But for the present no important relaxation on this t would be sensible.'

'I turn now to the outlook for the domestic economy in 1970-71.'

'Taking account of all the elements of demand, the central forecast is that, ıe basis of existing pre-Budget policies and levels of taxation, output would / by about 3 per cent over the year ahead, that is, between the first half of ' and the first half of 1971.'

The Chancellor said that he had reached the conclusion that it was right ve a moderate stimulus to the economy, but to spread this between monetary fiscal measures.

'I therefore propose to announce certain measures of limited monetary

relaxation, accompanied by fiscal changes which will cost the Revenue rather more that £200 million in a full year. The prospect for the economy, after these changes, is a rate of growth on the basis of the "central" forecast of about 3½ per cent between the first halves of 1970 and 1971.'

Monetary Policy in 1970-71

In dealing with monetary policy in the year ahead, the Chancellor stated that there would be a continuing need in 1970-71 for a reasonably tight monetary policy. 'On the basis of policies which will be in operation from today, my expectation is that there will be some expansion of domestic credit in 1970-71, in contrast to the contraction in 1969-70. My intention is that this expansion should be within a figure of £900 million.'

'The main deposit banks have been living under a continuous regime of ceilings for nearly two and a half years and the other banks for a good deal longer. Though such a control is probably the most direct and effective method of achieving tight short-term restraint, the rigidities and distortions which come from it intensify with the passage of time.

'I believe that it will be consistent with our main economic objectives for lending which has hitherto been subject to the ceiling restrictions to show a gradual and moderate increase over the coming year of the order of, say, 5 per cent over the period between now and March 1971. It will, however, be important that the increase should be directed towards the finance of exports and of productive investment, not only in manufacturing industry but also in agriculture, which can be expected to contribute to the balance of payments over the coming years.'

'I must emphasise that this is not a general relaxation. The banks and finance houses are being asked to concentrate the increase in their lending on these purposes, and in no way to relax their restrictions upon the availability of credit for imports and import deposits, or for personal spending other than bridging finance for house purchase.'

'No Government can pursue an effective monetary policy without a substantial degree of control and guidance of bank lending.

'A further modest call for special deposits will underline the need for continuing restraint in bank lending. The Bank of England is accordingly calling upon the London clearing banks to place with it by 6th May special deposits equivalent to ½ per cent of their total deposits.'

'For the finance houses I see no immediate alternative to maintaining a ceiling control. We now ask them to keep their restricted lending within a ceiling of 105 per cent of its level at 31st March 1970.

'I have been considering interest rates in relation to the general monetary policy and prospect which I have described. Given the prospects for the world and domestic economy, I do not believe that we can look for a dramatic reduction in long-term rates. But that does not preclude some flexibility in short-term rates. Our balance of payments position is strong, and United States and Eurodollar short-term rates—the international interest rates of most significance in this context—have been easing slightly downward in recent weeks. International developments have thus given us a little room for manoeuvre; and the requirements of domestic monetary policy do not oblige us to hold the Bank Rate at 7½ per cent.

'With my approval, therefore, the Bank of England is reducing Bank Rate to 7 per cent with effect from tomorrow.'

National Savings

The Chancellor announced that powers will be taken to vary from 2½ per cent the rates of interest payable on deposits in Ordinary Accounts of the

National Savings Bank, the Ordinary Departments of the Trustee Savings Banks and the No. 2 Department of the Birmingham Municipal Bank. The purpose of this measure is to help the savings banks to attract and hold funds. The earliest point at which a change in the rate could become operative would be in respect of interest credited for the year 1971.

TABLE 3

SUMMARY OF CONSOLIDATED FUND RECEIPTS AND ISSUES

£ million

	1969-70		1970-71 Estimate	
	Budget Estimate	Outturn	Before Budget changes	After Budget changes
Revenue (*Table 1*)				
Taxation	14,464	14,733	15,761	15,582
Miscellaneous receipts	544	533	542	542
Total	15,008	15,266	16,303	16,124
Expenditure (*Table 2*)				
Supply services	11,800	12,016	12,933	12,933
Consolidated Fund standing services	751	806	593	593
Total	12,551	12,822	13,526	13,526
Surplus transferred to the National Loans Fund (*Table 4*)	2,457	2,444	2,777	2,598

Source: Financial Statement and Budget Report 1970-71

MINOR TAX CHANGES

Minor tax changes proposed by the Chancellor may be summarised as follows:

Building Sub-Contractors

Measures will be taken to prevent tax evasion in the building and civil engineering industry. A new control will be operated by means of a register of sub-contractors. The estimated yield in a full year would be about £8 million.

Pension Scheme

The Finance Bill will include provisions to rationalise the tax treatment of superannuation arrangements for employees and to take account in this connection of the earnings-related state pension which would become payable under the National Superannuation and Social Insurance Bill now before the House.

Estate Duty

The rate of interest on unpaid estate duty is to be raised from 2 per cent

TABLE 4

NATIONAL LOANS FUND: SUMMARY OF RECEIPTS AND PAYMENTS

£ million

Receipts

	1969-70		1970-71 Estimate	
	Budget Estimate	Outturn	Before Budget changes	After Budget changes
Interest, Etc.				
Interest on loans, profits of the Issue Department of the Bank of England etc	890	945	1,135	1,135
Service of the National Debt balance met from the Consolidated Fund	478	513	288	288
Total	1,368	1,458	1,423	1,423
Consolidated Fund Surplus	2,457?	2,444	2,777?	2,598?
Change in balances etc		6		
Exchange Equalisation Account changes in sterling capital		50?		
Borrowing				
To finance issues for redemption of nationalised industries stocks	215?	215	8	8
Other (net)*	[illegible]41	1,176	1,241	[illegible]62
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Payments

	1969-70		1970-71 Estimate	
	Budget Estimate	Outturn	Before Budget changes	After Budget changes
Service of the National Debt				
Interest	1,320	1,412	1,385	1,385
Management and expenses	48	46	38	38
Total	1,368	1,458	1,423	1,423
Loans (net)				
To nationalised industries				
Redemption of maturing stocks	215	215	8	8
Other	624	519	528	528
To other public corporations	168	148	186	186
To local and harbour authorities	540	545	790	790
To private sector	4	5	1	-1
Within central government	80	17	33	33
Total	1,631	1,439	1,544	1,544
[illegible]	2,999?	2,897?	2,967	2,967

to 3 per cent. This change will apply to interest accruing after the passing of the Finance Act. It will yield about £1·75 million in a full year.

Stamp Duties

The 2d duty on cheques and receipts will be abolished from Decimalisation Day, 15th February 1971. The 6d fixed duty on agreements and the 6d duty on accident and other non-life insurance policies will be abolished from 1st August 1970. On that date the duty on mortgage deeds will be cut from 2s 6d to 2s per £100. Life insurance policies up to £50 will be exempted from stamp duty. The cost of all these changes is estimated at £13.5 million in a full year.

Betting and Gaming

Betting duties are to be adjusted by: repealing the betting premises licence duty, increasing the rate of general betting duty to 6 per cent of the amount staked; maintaining the rate for on-course betting at 5 per cent. On-course hedging bets will be relieved of duty. These changes will take effect from 27th April. Taken together they should leave the total yield from betting unchanged.

Casino Taxes

The existing duty on gaming clubs is to be replaced by a charge in two parts: a basic element related to the rateable value, and an additional progressive charge increasing with the number of tables provided for gaming.

Gaming Licences

Licences will be valid for six months instead of twelve. The new rates will apply to licences expiring after 30th September and will yield about £1 million a year.

MAJOR TAX CHANGES

The Chancellor said that he believed that this year direct taxation should have priority.

'I propose to introduce a Budget which will in no way, either directly or indirectly, do anything to raise prices. I have no proposals to put before the House in regard to the rates of Customs and Excise duties—including purchase tax—or vehicle excise duties. I cannot reduce them, if I am to give priority to direct taxation relief, but I do not think it right to increase them.'

Selective Employment Tax

In discussing Professor Reddaway's report on selective employment tax, the Chancellor announced his acceptance of the suggestion that it would be preferable for the tax to be related to earnings rather than be expressed as a rate per head. 'With the introduction of the earnings-related national insurance scheme it will be possible to move over from a flat rate to a graduated system, under which the Inland Revenue will be able to collect the tax as a percentage of the total payroll. . . . There is one concession, outside the scope of Professor Reddaway's first report, which I feel I should make . . . which is to exempt the production and staging of plays, but not the managing of theatres.'

'Having dealt with the indirect taxes whose rates I propose to leave as they are I can now address myself to the question of direct taxation.'

Industrial Buildings

'Investment in industrial buildings shows signs of increasing less rapidly

in the immediate future, and there is some unused capacity in the construction industry, particularly in the less prosperous parts of the country.

'I therefore propose a short-term stimulus to investment in industrial buildings. The rate of initial allowance for tax purposes will be increased from the present 15 per cent. This will apply to expenditure incurred on the construction of an industrial building after 5th April 1970 and before 6th April 1972. The new rate will be 30 per cent in the country generally, but 40 per cent in both development and intermediate areas. The 40 per cent rate will also apply to Northern Ireland.'

Age Exemption

The Chancellor then turned to taxation on persons and began with a concession to the old. 'I propose to make a substantial increase in the income limits up to which people of 65 or over qualify for age exemption raising them by £50 to £475 for single persons and by £60 to £740 for married couples

Additional Personal Allowance

Now to be removed are certain restrictions on claims to an additional personal allowance of £100 by women with sole responsibility for a young child

Increased Dependent Relative Allowance Income Limit

The dependent relative allowance income limit is to be increased by £15 to £260.

Surtax

The Chancellor said that he proposed to exempt from surtax persons with surtaxable incomes not exceeding £2,500

'Surtax will be charged only when surtaxable income exceeds £2,500, but when it does it will be imposed, at the same rates as at present on the excess over £2,000, thus, only the smaller surtaxable incomes will benefit from the new exemption limit. To avoid anomalies where individuals have a surtaxable income somewhat above £2,500 there will be a tapering relief under which the surtax charge will not exceed 40 per cent of the income over £2,500 At £2,68[illegible] of surtaxable income, the marginal relief runs out and the present basis of computation applies'

'The cost, including the cost of the marginal relief will be about £5 million for a full year'

Income Tax Allowances

The Chancellor then came to the one major scheme of tax remission which he was able to propose

'I propose large increases in both the single and married allowances The single allowance will go up by £70 to £325 the married allowance by £90 to £465. . . . To keep the cost within acceptable limits and produce the effect I intend, this will, however, involve the elimination of the reduced rate band

'For single people and earning wives for the maximum wife's earned income allowance will be increased with the single allowance the tax threshold will be raised from £328 a year to £418 a year'

'For a man with two young children the threshold for earned income will be raised from the present £724 a year to £840'

'Under this scheme, almost 2 million people who would otherwise have paid tax in 1970-71 will be freed entirely. Of these more than 700,000 will be

single; about 800,000 working wives; and over 400,000 married men. In addition, about 11 million will get the continuing benefit of £7 17s 6d and 4 million taxpayers will get more than that. I estimate the full year cost at £175 million and the cost in the current year at £139 million.'

Rates of Income Tax, Surtax and Corporation Tax

'The resolutions to be put before the House will provide that the standard rate of income tax should be renewed at 41·25 per cent and that the same surtax rates should apply for 1969-70 as for 1968-69, but, like the standard rate of income tax, the surtax rates will now be expressed as percentages. The resolutions will also provide for the renewal of corporation tax at its present rate of 45 per cent.'

Conclusion

This brought the Chancellor to the end of his proposals. 'In total, the full year cost to the revenue of the measures I have announced as coming into effect at once may be reckoned at about £220 million; and after taking account of these measures, the central government should this year have a surplus of £619 million. The public sector as a whole should have a surplus of about £250 million.'

OPPOSITION VIEWS

Mr Edward Heath, Leader of the Opposition, replied on behalf of the Conservative Party (*Hansard*, 14.4.70, cols. 1254-61). He welcomed the reduction in Britain's short- and medium-term indebtedness, the reduction of import deposits and the reduction in Bank Rate to 7 per cent. He then referred to the Chancellor's statement that 'incomes cannot for long continue to rise at their present rate'. 'The Chancellor, said Mr Heath, 'in his last Budget had announced that he was abandoning all incomes policy in exchange for the reform of industrial relations. ... In the past year the Chancellor of the Exchequer has seen the main plank on which he was building removed by the Prime Minister. The consequences are now clear for all to see: a wage increase now averaging 10 per cent a year.'

Mr Heath welcomed the reductions in direct taxation but pointed out that one month's increases in prices would wipe out the £200 million which the Chancellor had conceded.

Mr Iain Macleod (Enfield West) reiterated this point in the second day's debate (*Hansard*, 15.4.70, cols. 1391-1403). Although Britain now had a strong currency, it was facing the worst cost-push inflation since 1951 and with the unemployment position as it now was - and as it had been for 32 months - worse than at any time since the war.

On the question of savings, the Chancellor had been too complacent. The truth was that the total sum invested in National Savings had fallen by almost £130 million, and, excluding net accrued interest, fell by a remarkable £266 million. In 1951-64 the average annual increase per head of savings was plus 17.4 per cent and in the five years since then it was plus 0·5 per cent.

Turning to the Budget proposals Mr. Macleod regretted the omission of any relief directly aimed at child poverty. There were still something like 250,000 children living in poverty if that was defined as an income below the scales of requirement for supplementary benefit purposes. One way of helping them was to increase the family allowances. The long-term answer, if there was one, was probably a form of negative income tax.

Mr. Macleod concluded by urging the Chancellor to use his influence firmly and openly on the side of non-inflationary pay settlements.

Queen's Award to Industry

RECIPIENTS IN 1970

The fifth list of recipients of the Queen's Award to Industry [see 13.5.66 p. 542] was announced on 21st April and published in the *Board of Trade Journal* on the following day. There are 104 awards, 74 of which are for export achievement alone, 25 for technological achievement alone, and five for achievement in both spheres. The award winners represent a wide range of industrial activity and company size, and come from all regions of England as well as from Scotland, Wales and Northern Ireland.

The list includes 47 companies which are holders of one or more previous awards; of these, 9 have been honoured twice before, 6 three times before, and 2 have been successful in each of the five years since the awards were introduced. These are Imperial Chemical Industries Ltd. (organic chemicals, dyestuffs, and human and veterinary pharmaceuticals) and Rolls-Royce Ltd. (aero-engines, cars and nuclear propulsion units). In the case of export awards, companies cited more than once are recognised to have shown further outstanding performance, while repeat technology awards are given for entirely different innovations.

The following five companies received awards in 1969 for both export and technological achievement (principal products exported in brackets): Courtaulds Ltd. (acrylic fibres), The Dunlop Co. Ltd. (rubber hoses), Elliott Flight Automation Ltd. (aviation electronic equipment), Hawker Siddeley Aviation Ltd. (aircraft), and Imperial Chemical Industries Ltd. (human and veterinary pharmaceuticals).

The companies cited for export awards in 1969 are responsible for a great variety of products and services, including the production of computers, control and automation systems, optical lens grinding machinery, toys, earth moving equipment and industrial trucks, bone and translucent china, crop protection chemicals, precious metals and caravans. Similar diversity is exhibited by award winners for technological innovation which include the United Kingdom Atomic Energy Authority (carbon-14 radioisotopes), Adams Powel Equipment Ltd. (concrete roof tile machinery), Hudswell Yates Developments Ltd. (fully automatic pipe laying systems), Pilkington Brothers Ltd. (tinted glass) and British Copper Refiners Ltd. (continuous casting methods for the production of copper anodes).

Road Accidents in 1969

The Ministry of Transport announced on 15th April that road casualties in Britain during 1969 numbered 353,194, an increase of 1 per cent over the previous year. Accidents causing personal injury, at 261,778, were the lowest since 1959. However, the number of deaths, at 7,383, rose by 8 per cent, owing to the large rise in fatal accidents to users of four-wheeled motor vehicles and to adult pedestrians. There was no change in the level of child pedestrian deaths, and both deaths and total casualties to children generally fell by 2 per cent. Serious injuries to road users as a whole rose by 2 per cent to 90,715. Motor traffic increased by 2 per cent compared with 1968.

The table on page 463 shows casualties by class of road user.

Commenting on the figures the Minister of Transport, Mr. Mulley, while pointing out that the last year of the 'sixties showed the lowest accident total of the decade, expressed disappointment at the rise in deaths and serious injuries

CASUALTIES BY CLASS OF ROAD USER 1969

	Killed	Casualties: Total	Casualties: Percentage change compared with 1968
Pedestrians	2,956	83,075	1
Pedal cyclists	411	24,361	7
Users of.			
Mopeds	64	4,420	3
Motor scooters	149	15,848	17
Motor cycles	577	31,275	9
Cars and taxis	2,628	194,215	7
Goods vehicles	408		
Public service vehicles	123		
Other vehicles	67		
Total casualties	7,383	353,194	1

Christmas Casualties

During the five-day Christmas holiday (Tuesday 23rd December to Saturday 27th December) 133 people were killed, compared with 142 in the corresponding period of 1968, (Sunday 22nd December to Thursday 26th December). Numbers seriously injured fell by 13 per cent from 1,499 to 1,311 There were fewer fatal and serious casualties in most classes of road users, including pedestrians, where there was a fall of 22 per cent. Traffic was estimated to have been 2 per cent lower.

Road Safety Measures

As in all highly-developed countries there are acute problems of road congestion and high accident rates in Britain Britain has a larger number of road vehicles per road mile than any other country, but has succeeded in preventing the number of accidents from rising in line with the growth in traffic Following the imposition in 1967 of a law forbidding driving with more than a specific amount of alcohol in the blood, a substantial reduction in accidents was achieved. Other measures which have improved safety include segregation of traffic streams on many new roads, pedestrian crossings, speed limits on all roads, restrictions on working hours of bus and lorry drivers, stringent control of vehicle construction, automatically-controlled warning signs on motorways, and intensive publicity and training programmes.

Passenger Traffic

TRANSPORT IN LONDON

The final annual report and accounts (for 1969) of the London Transport Board were published in April (HMSO 9s). The board ceased to exist on 31st December 1969 as provided by the Transport (London) Act 1969 and on 1st

January 1970 it was replaced by a new body, the London Transport Executive, responsible to the Greater London Council (GLC). The Executive now controls the central bus and underground services, while the board's country bus and Green Line coach services have been vested in London Country Bus Services Ltd., a subsidiary of the National Bus Company—a nationalised body set up under the Transport Act 1968 [see 16.1 70 p 68].

The London Transport Board was set up on 1st January 1963, as provided by the Transport Act 1962, to take over the London Transport undertakings from the former British Transport Commission The board met rapidly increasing difficulties from staff shortages, road congestion and rising costs From 1964 onwards fare increases were restricted by the Government, and it subsequently became necessary to meet deficits which emerged in 1967, 1968 and 1969 by subsidy. Under the terms of the transfer of control of London Transport to the GLC, the Government wrote off the board's capital debt (some £250 million)

Notable achievements by the board have been the building of the new Victoria underground line, the modernisation of the Lots Road generating station and improvements to the bus system

Financial Results for 1969

Net revenue in 1969 amounted to £0·7 million representing an improvement of over £3 million on the deficit of £2·4 million in the previous year After interest payments of £11·4 million there was an over all deficit of £10·7 million met by grant from the Ministry of Transport

Traffic receipts totalled nearly £112 million, £6·8 million more than in 1968 Within the total, road receipts increased by over £1 million to £66·4 million mainly because of increases in fares in 1968 and 1969, but results were depressed by staff shortages Railway receipts rose by £5·7 million to £45·5 million as a result of higher fares, the opening of the Victoria Line and the transfer from British Railways of the Bow to Upminster Line Total working expenses amounted to over £115 million, of which over 70 per cent (£81·4 million) was accounted for by salaries and wages

Capital expenditure on fixed assets was £16·3 million of which nearly £9 million was spent on the Victoria Line mainly on the extension to Brixton

Traffic

Numbers of passengers carried on all services fell by 5·3 per cent to 2,46[illegible] million in 1969, though passenger miles paid for, at 7,437 million, rose slightly Bus and coach passengers were 8·2 per cent fewer while on the railways numbers rose by 3·2 per cent Short distance bus journeys which are the most vulnerable to delays by congestion, took the brunt of the fall Staff shortages caused a fall of 10 million in miles operated by central bus services The total fall in car miles on buses and coaches was 6·3 per cent, while railway car miles rose by 10·3 per cent, due to the opening of the Victoria Line and the acquisition of the Upminster Line

Development

The main section of the Victoria Line, covering 10½ miles from Walthamstow to Victoria, was opened by the Queen on 7th March 1969 By the end of the year 1¼ million people a week were using the line, which is almost completely automatic. Work on the 3½-mile Brixton extension, due to open in 1971, was well advanced

Major works were carried out at several underground stations, among them Barbican, Cannon Street and Waterloo. Work continued on improvements to traffic control and programme machine signalling. The modernisation of the

Lots Road generating station, begun in 1963, was completed during the year; Lots Road carried the major part of London Transport power supply requirements.

Work was proceeding on plans for a London Transport rail link with London Airport, Heathrow, a Fleet Line running across London from the north-west to the south-east, an extension of the Bakerloo Line south from Elephant and Castle to Peckham, and a Holborn Line from the south-west to the north-east. A comprehensive review of modernisation measures for the underground as a whole—much of it is 60 years old and some of it older still— was begun during the year.

Reshaping and modernisation of the bus services proceeded throughout the year, with the introduction of improved types of buses and fare-collection equipment, and the extension of one-man operation. By the end of 1969 there were 517 single-deck, one-man-operated buses working on Mondays to Fridays. London Transport's first double-deck one-man service was introduced in November in the Croydon area, and further services were to be initiated during 1970 During the year over 200 new single-deck buses were introduced.

Traffic Congestion

Traffic congestion eased a little during 1969, as a result of centralised traffic control by computer, the wide use of closed circuit television by the police, and progress with traffic management schemes. The board was anxious that traffic management schemes, particularly bus priority schemes, should be more rapidly developed, and that special funds should be provided for the purpose, in accordance with its demands for more balanced investment in public and private transport facilities. Traffic lanes restricted to use by buses were already in operation in a few streets, and others were planned, including lanes running against the general traffic flow More rigorous control of parking was necessary to ensure efficient use of London's roads At present, in spite of road and traffic management improvements, the roads into central London were carrying 70,000 fewer people (most of them lost to the railways) in the peak hours from 07 00 to 10 00 than was the case ten years before; an extra 15,000 cars were travelling, while 1,200 buses (far more efficient than cars in handling mass passenger flows) had been removed, and 18,000 users of two-wheeled transport had also disappeared The board had suggested to the GLC that an outline public transport plan should be produced jointly by the GLC, London Transport and British Railways, and published as soon as possible.

REPORT ON BUS IMPROVEMENT SCHEMES

A working group drawn from the Ministry of Transport, London Transport Executive, National Bus Company and other interested bodies, was set up in January 1969 'to consider what can be done in the shorter term to facilitate the operation of buses in cities, whether by way of changes in traffic policies or by different kinds of bus operation; and to recommend a series of demonstration projects' Its report was issued by the Ministry in April.

The group observed that standards of bus services needed to be considerably improved if people were to be encouraged to make greater use of them, and that the prime need was to improve reliability. Local authorities should be more willing to experiment with bus schemes, such as reserved bus lanes (with or against the flow of traffic), exclusive use by buses of selected roads or sections of roads, exemption from barred right or left turns or other movements, priority lanes at signals and other junctions, and separate signal control for buses. In general, other European countries, where streets were often wider than in Britain, had progressed further with such schemes, but more than 20 towns in

England and Wales had worthwhile priority schemes for buses. Also a series of controlled experiments with bus lanes etc. was started at the Road Research Laboratory in September 1969 and was to be continued during 1970. It was already apparent that worthwhile savings in bus journey times were possible though at the expense of some inconvenience to other vehicles. The group recommended that local authorities and operators on introducing any scheme should arrange to have its results evaluated on a systematic basis. Many opportunities for experiments with buses were occurring in plans for the renewal of town centres, for example, bus priority schemes were being incorporated in Leeds, Runcorn and Salford.

Developments in communication and location equipment had facilitated central control of buses over whole networks of routes. Radio telephone equipment had been fitted to service buses in many towns, and television was in use at Huddersfield, Leeds, Leicester and Liverpool, and was planned for Derby, to assist in control of important loading points and surrounding roads. A bus electronic scanning indicator system, transmitting information to a control centre on movement of buses past fixed roadside equipment, had been in use in London for some years, however London Transport believed that a more advanced system for automatic transmission of location by radio telephone from each bus and interpretation by central computer, now being developed by Marconi, would provide better results. Two demonstration projects using the Marconi system were to be mounted in Bristol and London.

The group recommended experiments with unconventional types of services designed to attract car users, such as small buses for city centres, new feeder services to rail termini, and "personalised" services carrying pre-booked passengers from points near their homes to places of work. A Lastaway express bus service was already running in Leeds, and in Stevenage Blue Arrow services had recently been introduced to give peak-hour services between two residential areas and an industrial estate exclusively on a pre-booked, pre-paid basis.

Among other recommendations were closer liaison between operators and the police, increased use of traffic wardens, and effective publicity for new efforts which were to be made to prevent indiscriminate parking at and near bus stops. The Ministry of Transport, local authorities and operators should co-operate to get demonstration projects started and to assess results. A number of projects were listed by the group for action, including three in London and others in Derby, Manchester and Liverpool. Publicity was necessary to impress on all concerned the dangers inherent in allowing a decline in public transport and the part that bus priority schemes could play in preventing it.

The Government has already asked local authorities to consider introducing more bus priority schemes (*Hansard* 28.4.70, col. 1027).

British Aid Policy

Questions arising from the recommendations of the Pearson report on international development (see 7.11.69 pp. 1004-7) and the Jackson study on the capacity of the United Nations development system (see 13.2.70 pp. 155-6) were the main topics dealt with in a short debate on aid policy in the House of Commons on 26th March (*Hansard*, cols. 1719-39). The speakers included Sir Edward Boyle, a former Conservative Minister and a member of the Pearson Commission, Mr. Bernard Braine, the Opposition spokesman on overseas aid, and Mrs. Judith Hart, the Minister of Overseas Development.

The Problem of Under-Development

Opening the debate, Sir Edward Boyle referred to discussions on the Pearson Report at a recent conference at Columbia University, New York.

which he and Mrs. Hart had attended and which had been addressed by Mr. Lester Pearson. Mr. Pearson, he said, had answered both those 'who would seek to rely entirely on market forces to solve the problems of under-development' and those members of the less-developed countries 'who would like to make a clean break with the richer nations and who look on unequal partnership as the consequence of, as they would say, the essentially exploitative character of the dominant powers' grip on the resources of the world.'

Mr. Pearson had said that to abandon aid in favour of renewed reliance on the traditional international market system would entail far more confidence in the latter method than was justified by economic history. It would, in Mr. Pearson's words, 'also gloss over the violent contrasts between our problems today and those of the areas and epochs where "normal methods" are supposed to have worked.' Mr. Pearson believed, on the contrary, 'that the market system did not work unaided even in the hyper-favourable conditions of the nineteenth-century Atlantic world.' To exclude the immense enrichment brought about by the small group of Europeans who had occupied the vast agricultural reserves of the world's remaining temperate lands in the course of two centuries and to talk of 'development' as a normal increment of careful commercial investment was, to his mind, to talk nonsense. 'Nothing comparable is available to developing nations today—unless we use our abundant capital and technology to provide a comparable gift.'

These words showed Mr. Pearson's understanding of the extent to which the problems of world poverty and the problems of under-development were bound up acutely with tropical areas, Sir Edward commented.

Mr. Pearson had also said, 'And great as progress has been in the last decade and high as ambition and dedication undoubtedly are, I do not see among the developing nations the margin of capital and managerial and technical skills needed to mobilise in time sufficient defence against the risk of a planet-sized disaster.' If the total break envisaged by those who felt that the right strategy for the less-developed countries was to cut themselves off from the richer nations altogether 'could mobilise the scale of effort and resources needed for a "great leap forward", we ought, no doubt, to support the idea. But if we are convinced that, on the contrary, it would deprive developing peoples of essential inputs of capital and skill, I do not think we should romanticise policies which could carry with them the risk of dislocation, stagnation and spreading hunger.'

These were wise words, Sir Edward said, adding that 'among those in the less-developed countries are a certain number of people who pursue the problem of development with ruthlessness which I do not believe could make sense in terms of human misery and the risk of starvation.'

At the Columbia conference, Sir Edward Boyle continued, and also at a discussion at Williamsburg that had preceded it, the Pearson recommendations had been generally supported. It had been suggested that priority should be given to four recommendations of the Pearson Report: to larger transfers of sustained and predictable resources from developed countries to less-developed countries, to the replenishment of the funds of the International Development Association (IDA) for a five-year period; to policies for the relief of debt; and to better access to world markets for the exports of less-developed countries.

As for criticisms of the Pearson Report, Sir Edward agreed that it had 'perhaps underrated the crisis that exists today in relations between the developed and the developing world.' The fact that the gap in living standards throughout the world was growing more rapidly than ever before had been brought out vividly in a paper submitted to the Columbia conference by Dr. Richard Jolly of the Institute of Development Studies. Another point made by Dr. Jolly and many others at the conference had been the importance of seeking not merely to stimulate development but also to relieve poverty and unemployment. Even where there had been considerable increases in economic growth rates, there

still remained an intractable problem of unemployment. 'Furthermore, the poorest 25 per cent of the world are today trapped in a situation of poor diet, bad health, illiteracy and unemployment,' Sir Edward said. There had been widespread feeling at the conference about the importance of developing a strategy designed to fit the specific needs of particular regions.

The Future Aid Effort

Both Sir Edward Boyle and Mr. Reg Prentice (Labour), a former Minister of Overseas Development, called for increased expenditure on Britain's aid programme.[1] Mr Prentice regarded the fact that a petition organised by the Council of Churches had attracted over a million signatures as evidence that a growing minority of people in Britain would support a higher aid performance.

Mr. Bernard Braine said that many were conscious that the way ahead for international development was 'at the moment clouded with doubt and anxiety.' There was anxiety about the United States, which provided at least half the total Western aid effort, 'any flagging of the American effort, any change in the direction of American aid, must have profound effects upon the whole development scene.' In Britain, too, there was 'some uncertainty as to the direction in which we are moving.' Although the enthusiasm of many had been fired by the Pearson recommendations on aid targets, there was no hope of reaching the target of 1 per cent of gross national product by 1975 nor the target of 0.7 per cent for official aid. Furthermore, there were doubts as to whether the Pearson approach was wholly the right one. For example, the 1 per cent target related to total financial flows to developing countries including guaranteed export credits and private investment, yet did not include the substantial transfer of resources which Britain had been making through commodity agreements.

The Pearson target, Mr. Braine continued, was 'no more than a rough measuring rod, and its only real merit is that it fixes in ordinary people's minds . . . a reasonable-sounding target which it should be within the capacity of relatively wealthy nations like ours to achieve.' Moreover, governments, although they could provide aid resources out of public funds, could not guarantee private flows, which, he maintained, could not be stepped up unless the Government removed fiscal disincentives to private overseas investment.

Mr. Braine felt that there was 'a strong argument for not allowing ourselves to be mesmerised by targets but rather to concentrate our attention much more on the quality of the aid which we are providing.' It looked to him, following the report of the Peterson task force to President Nixon,[2] as if the United States might move away from a bilateral aid programme toward channelling more aid through international lending institutions such as the World Bank, IDA and regional banks. Multilateral aid, including aid channelled through consortia of countries acting together, had the advantage from the donor countries' point of view 'that they individually do not have to take initiatives which can prove costly and embarrassing if other donors refuse, for one reason or other, to participate.' It should also 'make it easier for recipient governments to adopt the right kind of approach to their own development while donor governments cannot then be charged with neo-colonialism.' Mr. Braine asked what attitude the Government was taking with regard to the holding of international discussions on ways of improving the administration of aid.

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[1] For the Government's decisions on the future aid programme in relation to the targets recommended by the Pearson Commission, see 2.1.70 p. 30 and also C.O.I. Factel No. 594, *British Aid in the 1970s*.

[2] This report of a panel appointed to examine the United States foreign aid programme and headed by Mr. Rudolph A. Peterson, president of the Bank of America, was presented to the President of the United States early in March.

Mrs. Hart mentioned that she had recently attended a conference of the Overseas Development Council in Washington at which there had been recognition of Britain's performance in responding to the Pearson recommendations. She had also attended a private conference in Montebello of the heads of the multilateral bodies at which both the Pearson and Jackson recommendations had been discussed.

The Minister said that the British Government had responded to another Pearson recommendation by making it clear, during recent IDA talks in London, that they were ready to make a contribution to the replenishment of IDA funds on a scale which would allow a total replenishment of $1,000 million.[1] She added 'We are thoroughly supporting a very large increase in IDA activity and the very large replenishment which this figure indicates.' Much would depend, however, on 'one or two other countries if the eventual IDA replenishment is to be at that level'.

On debt relief, identified by both the Pearson Commission and the Columbia conference as a major issue, Mrs Hart said: 'We have an extremely good record in that since 1965 about half of our aid has been in grant form, with the remainder in loans, 90 per cent of which have been interest-free, often with a seven-year grace period before capital repayments are due.'

Trade and Investment

The foreign exchange problems of developing countries were emphasised by Sir Edward Boyle, who asked for an assurance that the Pearson recommendations on trade and liquidity were being considered by the Government and that the interests of the developing countries would be borne in mind during the negotiations for British entry into the Common Market. Mr. Braine thought the Government ought to take initiatives towards securing a framework of world trade which would give developing countries easier access to world markets.

Mrs Hart said that, in regard to the question of access to markets by the developing countries, 'we support the general objectives of the Pearson Report, though not all the detailed ideas, many of which have to be discussed internationally. Some are being discussed already for example, generalised preferences. In general, our record is pretty good.'

Mr Edward Taylor (Conservative) said that it helped 'developing countries enormously if they have sufficient investment, and industry can be encouraged.' But he feared that many of the developing countries were not attracting as much investment as they could, because of their 'unreasonably high taxation, of difficulties in sending remittances of profits and of sequestration of industry.' He wondered whether consideration had been given 'to encouraging or otherwise promoting a code of commercial conduct' on the part of recipient countries; this would encourage foreign investment and 'enable them to make their own economies grow by their own efforts.' The idea of investment guarantees was also supported by Mr Braine.

Mrs. Hart said that at a conference held in Amsterdam in 1969, at which investment matters had been discussed, the developing countries themselves had 'responded very well', the difficulty in arriving at a code of conduct which would fit the criteria mentioned by Mr. Taylor had arisen on the side of the developed countries.

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[1] In answer to a parliamentary question about IDA replenishment on 19th March (*Hansard*, cols 985-6), Mrs Hart said 'At a meeting in London on 9th and 10th March, the British delegation expressed our readiness to meet our share of up to $1,000 million a year for the three years beginning 1st July 1971. I am glad to say that this initiative of ours was supported by the US and several other delegations. Further international discussions will, however, be taking place and I do not expect either the amount or the manner of the replenishment to be finally settled before the middle of the year.'

The Jackson Proposals

Sir Edward Boyle saw the Jackson proposals concerning the UN development system as 'extremely important in that they emphasise the need for the programming of international assistance at country level, with a much stronger UNDP [*United Nations Development Programme*] playing a central co-ordinating role. They require the whole operation being organised within a developed, co-operated cycle comprising all the elements of project formulation, budgeting and implementation *within a five-year programme*'

Mr. Prentice also expressed support for the broad conception of the Jackson Report. He went on: 'What worries me is that inevitably—there are signs of it already—there will be considerable opposition from the United Nations specialised agencies to the implementation of the main Jackson recommendations.' This was natural, but the recommendations could 'only be carried through in this situation if the main governments, particularly those of the larger Powers, treat this matter as a major item on the international agenda, if there are firm Cabinet decisions in favour of the Jackson strategy and if these are pushed strongly through the appropriate machinery'

Referring to the UNDP, Mr Braine expressed doubt, 'for historical reasons concerning the way in which the specialised agencies have grown, as to whether it is capable of anything more than marginal changes certainly until such time as reform on the lines of the Jackson Report is implemented' Experience showed 'that it is less the way *in which aid is channelled to developing* countries than the use to which aid is put, and the way it is co-ordinated on the ground, which matters' One of the most successful developments in British overseas aid had been the setting up of regional aid divisions, one in the Middle East and one in the Caribbean

The Minister of Overseas Development said that by 1968 the scale of the UN development effort had risen to an annual level of $230 million, of which $170 million, or 75 per cent, was direct from the UNDP The resources of the UNDP consisted of voluntary contributions by member governments Britain was a considerable contributor The finding of the Jackson study was that the system was suffering from strain and needed reform if it was to develop the capacity to handle a greater volume of aid, which it was hoped, it might expect during the Second Development Decade Sir Robert Jackson had also expressed the view, however, that some 80 per cent of the output of the system was effective

Mrs. Hart continued 'As major contributors to the system which has been increasing its budget in recent years, we have the greatest interest in ensuring that every penny provided should be used to the maximum advantage of developing countries This is the whole objective of the system We share Sir Robert Jackson's wish to see an increase in the United Nations development system so that it can handle an increased volume of technical and pre-investment assistance and bring about an improvement *in the* service that it provides developing countries'

The Governing Council of the UNDP was currently examining the study. Its conclusions would obviously be provisional and would probably be carried a stage further at the next regular session, to be held in Geneva in June 'The general spirit that has prevailed seems to have been positive,' Mrs Hart said 'The essential proposals *of the Jackson Report relating* to the focus on co-ordinated planning at the country level what is called country programming and the organisational changes both at that level and at regional and central level will concentrate *responsibility for the balance and impact in the* UN contribution in the hands of the UNDP resident representatives There has been a wide measure of agreement

'*The developing countries have naturally and rightly emphasised* that the determination of national objectives in development, the identification of their role in approaching them and the social and economic priorities in relation to each developing country must be *decisions for the* developing countries

themselves. This is the point I sought to emphasise in my discussions in North America about the Jackson Report, that one must start from the point of view of the developing countries themselves. One must not merely accept the situation, but must emphasise their right to make their own decisions about their planning priorities.

'I am glad that during the recent discussions on the Jackson Report which are still continuing with the developing and the developed countries there has been a tendency to identify the same objectives and the same methodology of approach. There seems to have been no conflict whatever, and this is quite right since there is a real identification of interests in this matter. The developing countries as a whole seem to have welcomed the prospect of participation in a United Nations development co-operation cycle, on the Jackson model, in order to ensure a coherent and cost-effective application of resources.

'The United Kingdom representatives have played a constructive part in supporting this convergence of opinion. We have been in no doubt about our view of the Jackson Report. We hope --and we will play our part towards this end that a growing proportion of development assistance will flow through multilateral channels. This is one of the main recommendations of the Pearson Commission. But if a growing proportion of aid from Britain is to flow through multilateral channels, it is the more important that the necessary reorganisations are carried through . We intend to put our best endeavours into achieving the main objectives of the Jackson Report.'

Gaming

FIRST REPORT OF THE GAMING BOARD

The work done by the Gaming Board in preparing for the introduction of a properly controlled system of gaming in Great Britain on 1st July 1970, when the main sections of the 1968 Gaming Act (see 16.3.68 p. 291) come into force is outlined in the board's first report published recently (HMSO, 5s). During its first 18 months, the board has been concerned with the initial vetting (for personal suitability) of applicants for bingo and gaming licences, with ensuring the timely application to the authorities by commercial and members' clubs for licensing and registration, and with advising the Government on how commercial gaming should be controlled within the new framework.

The board's policy towards "hard" gaming, reflected in the report, has been that it should be strictly controlled. Two of its recommendations, accepted by the Government, are that licences for hard gaming should be restricted to clubs in 30 gaming areas[1] in Great Britain, and that gaming clubs should not be allowed to provide other entertainment alongside gaming.

Towards bingo, the board takes a less restrictive attitude. It accepts the view of it as "a neighbourly game played for modest prizes" and its policy is to encourage the social role of bingo clubs. However, in order to protect the patrons (mainly housewives) it has recommended that there should be a complete separation between hard gaming and bingo, so that bingo clubs should no longer be allowed to provide other types of gaming.

Preparations for the New System

Much of the board's work during its first 18 months has been concerned with advising on a time schedule for the introduction of the various licensing provisions of the 1968 Act and with investigating the personal suitability of 2,782 applicants for bingo and gaming licences. By the end of 1969 it had granted 1,608 certificates of consent to bingo clubs and 115 to gaming clubs. The small number of consent certificates granted to gaming clubs is largely the result of the decision to restrict the licensing of such clubs to specified areas in Great Britain.

The board has also been concerned with building up a trained inspectorate which would have a supervisory role in the clubs and would maintain liaison between the board and the gaming industry.

Besides its duty to assist in introducing the provisions of the 1968 Act the board was also given the more general brief of advising the Government on desirable regulations to control the operation of gambling within the new system. In order to be in a position to do this members of the board visited some 50

[1] The board has since recommended the addition of four new areas to its initial list and this has been accepted by the Government. (This brings the total of authorised gaming areas to 34 (covering 41 local authority areas).)

gaming and bingo clubs throughout Great Britain, and had the accounts of a small number of gaming clubs examined.

'Our survey left us in no doubt,' the report states' 'that the opportunity to game and inducements to take part in it were being put before the British people on a scale greater than in any other European country.' Among the features of the gaming scene which the board found worrying were the proliferation of hard gaming in bingo clubs in and between bingo sessions, the excessive profits sometimes made by gaming clubs on particular games, the offering of cheap entertainment as a bait to attract people into such clubs, and the variations in the enforcement of existing law in different areas.

Control of Gaming

The board interprets the purpose of the 1968 Act as to bring under control a domestic demand for gaming which would otherwise be met illegally. Its attitude is that commercial clubs should be brought under effective control, and that the availability of facilities for hard gaming should be restricted.

Restriction of Facilities

In recommending the restriction of gaming facilities to particular areas in Great Britain, the board's intention has been to reduce the total number of gaming clubs, while at the same time ensuring a fair geographical spread of gaming facilities. The board considered other methods of limiting the number of clubs, for instance by reducing their profit advantage, or by relying on licensing authorities to reject applications, but it felt that this would result in the geographical mal-distribution of gaming facilities. 'The board were thus forced to the conclusion,' the report states, 'that, in order to allow reasonable access to licensed gaming facilities in all parts of the country, while reducing the number of clubs to the extent required, it would be necessary to impose some form of geographical restriction, which would ensure that clubs might only be licensed in centres where they could best serve the demand.'

The areas recommended by the board and accepted by the Government were determined on the basis that they should serve all the main centres of population and their surrounding areas. Licensing authority areas were used largely as the basis for the restriction. This has the advantage, the report observes, that 'the areas in which clubs are to be allowed are the only areas in which licensing authorities and police forces need to master the very complex problems involved in the control of licensed gaming clubs.' The Government has powers to extend the present list of areas, on the board's advice, where a responsible body of local opinion considers there is sufficient demand.

In order to prevent the spread of the gaming habit, the Government has accepted the board's recommendation that live entertainment should not be permitted in premises licensed for general gaming. In the past, the board notes, many gaming clubs had subsidised live entertainment, and as a result people had been encouraged to acquire a taste for gaming who would not otherwise have done so.

Control of Operation

The board has recommended that the games of roulette, craps, blackjack, baccarat, chemin de fer and punto banco (which are described briefly in the report) should be allowed on premises licensed for gaming under the Act, but it warns that the regulations to be made to control the advantage enjoyed by the bank are of utmost importance. 'In considering these,' the report states, 'we have borne in mind that the permitted advantage should be sufficient to enable an efficient operator, enjoying the protected market conferred by a licence, to provide properly controlled gaming in decent surroundings and make a reasonable, but no more than reasonable, profit. The board felt that the well-

known games, in so far as they are allowed, should be modified no more than necessary, but that the player should have ample opportunity to know and understand the propositions he is offered.'

The board first considered whether all casino games should be played as games of equal chance, allowing the operators to collect their profits by means of entrance or sessional charges, table money or levies, but concluded that this was not possible for baccarat, blackjack or craps, without destroying their character as games Chemin de fer was customarily played as a game of equal chance, and its variation, punto banco, relied on a special form of levy. Because of the complications of operating a percentage levy on stakes for roulette, the board came to the conclusion that it would be difficult to make it into a game of equal chance, and therefore recommended that roulette with a zero should be permitted.

With regard to card-room games, the board has recommended that licensed gaming clubs should be allowed to provide facilities for equal-chance gaming among patrons and that they should be allowed to charge for facilities provided It has also recommended that ' members' clubs ' should be allowed to provide facilities for similar gaming among members and to make certain regulated charges for participation

Bingo

The board has accepted the ' clear desire ' expressed in the parliamentary debates on the 1968 Act ' that bingo should be handled with a lighter rein than hard gaming ' The report states that ' there is little doubt that well run bingo clubs fill a need and that many derive considerable pleasure from the social atmosphere, companionship and entertainment provided In conversation with many patrons we have learned that the bingo club has become the main outing for large numbers of women, who now have money to spare and having finished their household chores, enjoy the social atmosphere '

The board's general policy towards bingo is to encourage the social [illegible] of the clubs It is also concerned to protect the clubs' patrons from the danger of hard gaming, and its recommendation that bingo and social clubs should [illegible] be allowed to provide other types of gaming is intended as a remedy to the dangers

In order to preserve the neighbourly nature of bingo the board propo[illegible] certain restrictions on the maximum charges to be permitted for bingo sess[illegible] and their frequency

Gaming Machines

The board has received 1,200 applications from companies for certificat[illegible] supply or maintain gaming machines and has begun to deal with them [illegible] of its major objectives expressed in the report is ' to ensure that there sha[illegible] no machines in use, especially jackpot machines, which lead players on [illegible] one game to another by accumulating increased, or apparently increa[illegible] chances of winning'

NEW GAMING LICENCE DUTY

The new type of gaming duty announced by the Chancellor of the Excheque[illegible] his Budget speech on 14th April 1970 (see p. 459) replaces the existing du[illegible] which is related to the rateable value of premises used for gaming, by a cha[illegible] in two parts, consisting of a basic element related to the rateable value and additional progressive charge increasing with the number of tables provided [illegible]

gaming. In its new form the duty will apply to all clubs licensed under Part 2 of the Gaming Act 1968 for general gaming.

The duty will be payed twice yearly on six-month licences, instead of in one annual lump sum, the Chancellor announced. The licence duty payable each six months would range from £750 for a small club to £32,000, plus £5,000 for each additional table above five, in the case of the largest clubs. The new rates would apply to licences expiring after 30th September 1970, and the Chancellor estimated that they would yield about £1 million a year extra revenue.

Government and Administration

Right of Privacy The Home Secretary announced the membership of the committee which, under the chairmanship of Mr Kenneth Younger, is to consider whether legislation is needed to protect the right of privacy (see 13.2.70 pp 141-2) — *Hansard* 16.4.70 written answers col 371

External Affairs and Defence

Seychelles Report on the constitutional conference 9th to 13th March 1970 (see 27.3.70 pp 305-6) — Cmnd 43[illegible] HMSO 1s 9d

Mauritius Fact Sheet on the Commonwealth — COI R[illegible] 54[illegible]/70

Economic and Scientific Affairs

Lesotho British Aid During an adjournment debate on the suspension of British aid to Lesotho (see 24.4.70 p 403), the Minister of Overseas Development stated that Lesotho had been offered last December budgetary aid of up to £2.575 million and development aid of £4.5 million, all in the form of grants, for the three year period 1970-73, and had also been offered technical assistance. If the criteria for recognition of the Lesotho Government are satisfied and recognition is granted, the resumption of this aid programme will be considered — *Hansard* [illegible].4.70 cols 1346-58

Kenya British Aid Following discussions in London between the Minister of Overseas Development and a delegation of Kenya Ministers, the Kenya Government has accepted an offer of capital aid amounting to £11.5 million, to be drawn over the next four years. Of this £7·75 million will be used for various development purposes to be agreed upon by the two Governments and £3·75 million will be available for the purchase of British owned farms in Kenya — *Hansard* [illegible] written answers col [illegible]

Botswana and Swaziland: British Aid Development and budgetary aid and technical assistance to Botswana in 1969-70 amounted to £6.1 million, and to Swaziland £3.5 million. The estimate for 1970-71 is £4.6 million to Botswana and £2·4 million to Swaziland. Budgetary aid to Swaziland ended in 1969-70. Budgetary aid to Botswana is expected to end in 1971-72. — *Hansard*, 23.4.7[illegible] cols 607-8

British Aid. Official and Private Flows in 1969. The Minister of Overseas Development, Mrs. Hart, gave the following figures in the House of Commons on 23rd April:

Hansard, 23.4.70 col. 608

	£ million	Per cent of GNP
Gross official flows	210·8	-
Net official flows	178·7	0·39
Net private flows (provisional)	210·0	0·46
Total official and private flows (net)	388·7	0·85

Mrs. Hart pointed out that the programme of official aid expenditure announced in November 1969 [see 2.1.70 p. 30 and also COI Factel No. 594, *British Aid in the 1970s*] was designed to increase net official flows as a percentage of GNP.

National Coal Board. Observations by the Minister of Technology on the report from the Select Committee on Nationalised Industries (session 1968-69)

Cmnd. 4323 HMSO, 9d

Pay and Conditions of Industrial Civil Servants. Report No. 146 of the National Board for Prices and Incomes

Cmnd. 4351 HMSO, 12s 6d

USSR Air Services Agreement. A protocol to the air services agreement of 1957 between Britain and the Soviet Union was signed in London giving British Overseas Airways Corporation the right to fly to Tokyo via Moscow and Siberia, and the Soviet airline, Aeroflot, the right to fly to New York via London. The agreement also makes provision for the extension of collaboration between British and Soviet airlines in the future.

Press release, Board of Trade 13.4.70

Norway Agreement on Fast Reactors. An agreement for co-operation in the study of fast reactors has been signed by the United Kingdom Atomic Energy Authority and the Norwegian Institute for Atomic Energy.

Press release UKAEA 13.4.70

Change in Agriculture, edited by A. H. Bunting. Lectures and summaries of case studies presented to the International Seminar on Agriculture, University of Reading, together with a general review and conclusions

Gerald Duckworth & Co Ltd., 3 Henrietta Street, London WC2, £7 10s

Commonwealth Broadcasting Co-operation — COI, R.5714/70

Pattern of British Exports — COI, R.5760/70

Notes on Science and Technology in Britain
- No. 8 Submarine Telephone Cable Technology — COI, R.5476
- No. 30 Electronic Computers and Data Processing
- No. 52 The Float Glass Process

Geography. Fact Sheet on Britain. — COI, R.4735/A/1

Social and Cultural Affairs

National Health Service Contributions Bill. Second reading of a Bill to increase the employer's part of the National Health Service contribution from 8d to 1s 8d.

Hansard, 23.4.70 cols. 649-716

Commonwealth Immigrants Acts 1962 and 1968. Statistics 1969.	Cmnd 4327 HMSO, 2s 6d
Amphetamines, Barbiturates, LSD and Cannabis: Their Use and Misuse. Report on Public Health and Medical Subjects No. 124. Department of Health and Social Security	HMSO, 7s 6d
Output Budgeting for the Department of Education and Science. Education Planning Paper No. 1	HMSO 30s
Furniture and Equipment Dimensions: Further and Higher Education. Building Bulletin No. 44. Department of Education and Science	HMSO, 6s
Standing Commission on Museums and Galleries. Eighth report, 1965-69	HMSO 14s 6d
District Heating. A government survey of the technical and financial aspects of district heating is to start in autumn 1970, Mr Reginald Freeson, Joint Parliamentary Secretary, Ministry of Housing and Local Government told a convention in London on 21st April. The survey would take about 18 months to complete, covering two winters, and would be a fact-finding study in depth of selected local authority schemes.	Press release MHLG 21 4 70
Provision for Adult Education	National Institute for Adult Education 35 Queen Anne Street London W1M 0BL 4s
Air Pollution and Health. Report for the Royal College of Physicians	Pitman Medical 46 Charlotte Street London W1 40s (30s paper cover)
Independent Television Authority. Mr Brian Young, director of the Nuffield Foundation, has been appointed to succeed Sir Robert Fraser as Director-General of the Independent Television Authority.	Press release ITA 70 Brompton Road London SW3 [illegible] 3 70
Overseas Students in Britain. Revised edition December 1969	British Council 11 Portland Place London W1N [illegible]

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Contents

The Civil Service

DEPARTMENT'S FIRST REPORT

Developments in the established tasks of central management inherited by the Civil Service Department (CSD) when it took over the Treasury's functions in this regard [see 25.11.68 p. 971] and the progress made up to the end of 1969 in 'restructuring' the Service on the lines recommended by the Fulton Committee [see 19.7.68 pp. 661-3] are described in the first report[1] of the CSD, which was published on 4th May.

Pointing out that 'all regular departmental reports face the difficulty of attempting to focus on the department's work as though it were a record of completed events', Lord Shackleton, Lord Privy Seal and Minister of the CSD, explains in a foreword that this report 'is more than usually open-ended'. The fulfilment of many of the tasks of the CSD lay in the future, because the work of reconstruction would have to stand the test of time. Significant steps had, however, already been taken in such matters as, for instance, the creation of a new pay and grading structure and the exploration of new concepts of management and new methods and techniques.

Some of the main points on these and other matters covered in the report are summarised below.

Structure of the Civil Service

The Civil Service as at present constituted consists of a number of occupational groups, known as 'classes', of which there are more than 40 common to almost all departments and more than 1,000—some comprising only a handful of people—found in only one department. To review this structure, to examine the implications of introducing unified grading, and to tackle the development of the job evaluation techniques likely to be needed for its definition and operation, a new division—the Structure Review Division—was set up within the CSD in January 1969.

Because any attempt to cover at one stroke all, or even the majority, of the types of work done in the Civil Service at all levels would probably have led to a fragmented and inconclusive study, the scope of the division's investigations has so far been confined to the jobs held by members of the main general service classes (that is to say, the Administrative, Executive, Scientific, and Works Group of Professional Classes) at the middle levels of the Service—grades with salaries of between about £2,700 and £5,330. According to the report, analysis of the information so far acquired has indicated, broadly, the factors which could be used to identify the work levels within each class covered by the investigation. Further investigations are now proceeding for the purposes of (a) continuing the development and refinement of the factors and the levels within them, and (b) identifying and describing accurately jobs which would be generally accepted as clearly recognisable and as representative in their

[1] *CSD Report 1969. First Report of the Civil Service Department*, HMSO, 7s 6d.

work content of a number of jobs in each grade, in each class, and in several departments. This work is not yet complete, but progress so far indicates that the techniques evolved could be used to analyse work levels in the areas studied with a view to creating a unified grading structure for them, and that methods could be developed for allocating existing jobs to the new grades results which are important since they suggest that techniques will probably be available for the downward extension of unified grading.

At the top of the Service, a special investigation has resulted in a government decision to adopt unified grading at Under-Secretary level and above [see 12.9.69 pp. 800-1]. About 180 posts in the higher echelons (that is to say, grades in all classes with salaries of £6,000 or more) have been examined by a team consisting of senior civil servants and management consultants, and the resulting data is now being analysed to determine methods of identifying work levels and assigning jobs to the new grades.

Work is also in hand on the formation of occupational groups in the Service, which will increase flexibility of posting without destroying a man's chances of a satisfying career within the specialist area to which he was recruited or making it difficult for the posts in the Civil Service which require specialist qualifications to be filled by those with the necessary qualifications and specialist experience. The final pattern of occupational groupings cannot emerge until the studies of common grading at various levels in the Service have been carried further. There are, however, some areas where the problems are sufficiently well-defined for early simplification and rationalisation to be introduced, and proposals are now being formulated by the CSD for a merger of the Administrative, Executive and Clerical Classes to come into operation from 1st January 1971 [see 12.9.69 p 800]. The department is also examining the possibility of interim mergers in the Scientific and Works Group, and related classes

Recruitment

To improve and speed up recruitment procedures the Civil Service Commission --which, since its absorption by the CSD [see 25 11 68 pp 971-2], is responsible for recruitment policy affecting both temporary and established staff and for the actual recruitment of established staff now operates on a 'line management' rather than on a functional basis (that is to say, separate units of the commission now run specified competitions from start to finish whereas, formerly, each unit was responsible for one stage in the recruitment process for all competitions)

The major change in recruitment methods has been the end of the traditional method of entry into the Administrative Class by academic examination (Method I). Graduates wishing to enter this class as assistant principals are now selected solely according to assessments by Method II, which has recently been the subject of a favourable review [see 10.10 69 p 915]

Because of the growing complexity of government work, and because more school-leavers than ever before are continuing their education to university level, the CSD recognises that there will be an increased graduate entry for non specialist posts. Accordingly arrangements for managing such an entry are included in the proposals for the interim merger of the Administrative, Executive and Clerical Classes.

Training

In 1967-68 internal and external training together accounted for about 1·4 million 'trainee' days. Included in this figure were the days spent at courses in central management organised internally by the Training and Education Division, the Centre for Administrative Studies, and the Management Services Training Division—previously in the Treasury and now part of the CSD and

externally by business schools, staff colleges and other outside training organisations. During the year 1968-69 student course weeks in both categories increased by over 2,000 -from 3,905 in 1967-68 to 6,041 last year- and further substantial increases are scheduled for this year. The range of courses at all levels—from assistant secretary level to executive officer level, and including management courses for specialist civil servants is likewise being expanded and improved. At assistant secretary level, for instance, greater emphasis is being placed on modern management concepts practised in industry and commerce and these are being related to the training needs of senior management in government departments.

Other Aspects of the Service

The report also covers such aspects of the Civil Service as personnel management (there is now a group of five divisions within the CSD to handle this work, which includes promotion to and within the highest posts in the Service, career planning for potential senior staff, pay system studies, inter-departmental movement, and the interchange of staff between the Civil Service and other employments), machinery of government (extensive discussions have been held with those responsible for planning in a number of major departments with a view to increasing the detailed information available to the CSD on departmental planning machinery, identifying the broad principles applicable to planning work, and encouraging the exchange of ideas and information between departments, and studies of the hierarchal structure of departments have begun) management services (the CSD has about 150 people, including scientists, engineers, consultants and administrative and executive staff working in this field, in which its main role is to assist and encourage practical application by departments of new management techniques and systems for instance, management by objectives (MbO) which is being used, or is the subject of feasibility studies, in eight departments) conditions of service, health and welfare and statistics.

The United Nations

PRIME MINISTER'S SPEECH TO UNA

In a speech to the annual general meeting of the United Nations Association (UNA) at the University of York on 18th April, the Prime Minister, Mr Harold Wilson, reaffirmed his Government's commitment to the United Nations The Government, he said, regarded the UN ' not as a static and inorganic organisation, still less one dedicated to the preservation of an untenable *status quo*, but as one that should develop in an organic way ', the organisation ' must move forward, and move forward to clearly defined ideals '

Speaking of the measures—including ministerial appointments and administrative reorganisation—which the Government had taken in recent years to make the British effort at the United Nations more effective, the Prime Minister said that Lord Caradon, who in 1964 was appointed to serve concurrently as British Permanent Representative at the United Nations and as a Minister of State at the Foreign Office, was still the only permanent representative to hold ministerial rank in his country's government To stimulate interest in the UN and its work among people in Britain, the Government had made a grant in aid to the UNA to help it in its work The Government and the association were now making a special joint effort to mark the twenty-fifth anniversary. As well as appointing a National Co-ordinating Committee [see 10.4.70 p. 340] the Government had made available some £20,000 for activities to mark the occasion ' and stand ready to help in any way we can

The Need for a Global Solution

The British commitment to the United Nations, Mr Wilson said, was not a simple act of faith but rather ' a realisation that the problems that face the globe today admit, so many of them, only of a global solution Man's technological progress has taken him to the point where he can destroy his planet in a matter of hours; where the uncontrolled release of his chemical products can pollute vast areas before the damage can be halted The impact of modern communications has made the world too small a place for little local conflicts and antagonisms to go on by themselves Steps need to be taken to make the world a safer place to live in The UN can help to provide us with the means to this end. That is why I am proud to present Britain's record in the United Nations today.'

Decolonisation

Mr. Wilson said that the emergence of new nations from colonial tutelage to fully-fledged national entities had transformed the United Nations in a way which could not have been foreseen 25 years ago Almost half the member states of the United Nations had achieved sovereign status since the foundation of the organisation and these new members had brought the UN ' a new

emphasis, new demands, a new sense of urgency'. These countries were not interested in 'cold war diatribes', or in the problems of Europe and North America, but rather, 'and quite rightly', they were concerned with 'how to get the most help for their development, how to accelerate the last remaining steps of decolonisation, and above all, and again quite rightly, how to rub out the blot on the African map of arbitrary and minority white rule of unenfranchised African majorities'.

Speaking of Britain's commitment to decolonisation, the Prime Minister said that this had been the policy of successive British Governments throughout the last 25 years, so that the independent Commonwealth had now grown to embrace 28 sovereign nations, comprising over one-fifth of the membership of the United Nations, and containing a quarter of the world's population. Since 1964 Britain had sponsored no less than 13 of the 14 new UN members. 'I believe', he said, 'that this is a record of decolonisation of which any country could be proud and which others have followed.'

Affirming the British Government's policy towards southern Africa, Mr. Wilson pointed to the decision, taken in 1964, to comply with the Security Council's non-mandatory resolution on the supply of arms to South Africa. 'We have consistently opposed *apartheid*,' he said 'We have supported practical measures to help the people of southern Africa. We are the largest contributor to the UN Educational and Training Programme for southern Africa. It is in practical ways, not through empty slogans and gestures, that we make our contribution'

Rhodesia

The Prime Minister spoke of his efforts to secure 'an honourable settlement which fell four-square within the ambit of the six principles' [see 25.10.68 p 982], but such a settlement had been rejected by the illegal regime 'rejected, he said, because the taint of racialism, the selfish demand for segregation, land-greed and a helot-based economic system had taken hold, and so we have seen a further enactment of the Rhodesian tragedy: a new constitution described by its authors as racialist, purported repudiation of the Queen's sovereignty, ominous moves . to segregation and *apartheid*, a pretence of independence by a regime which has not been recognised by a single country in the world, an act which has been followed by the closure even of all the remaining consulates, bar two . .

'I know that the long haul on sanctions and other means of isolating the racialist regime is frustrating to those . who would prefer to seek a more dramatic solution I have never believed that the use of violence for settling the Rhodesian problem was either right or practical. More than four years ago I warned about the danger of action that could turn southern Africa into a raging holocaust. Those warnings are still right today.' But Mr. Wilson emphasised that he would not be a party to any compromise on the principles that had been laid down. He urged 'any here who support those principles, any here who recognise . . that the issue of colour and race, freedom from discrimination of race and colour, now occupy the centre of the world stage, would be well advised to investigate the credentials of any who talk plausibly of fresh negotiations -if by fresh negotiations they have in mind the betrayal of principles which are inextricably bound up with the honour of this country. . . . For what is at stake is not only the respect Britain enjoys in the world, but our own self-respect.'

Peacekeeping and the Peaceful Settlement of Disputes

The Prime Minister reminded the meeting that as well as providing the largest national contingent in the UN Peacekeeping Force in Cyprus and

contributing logistic support and some 20 per cent of the cost of the force. Britain had voluntarily contributed $10 million towards covering the deficit in the UN peacekeeping account. Britain also played an active part in the UN committee on peacekeeping and had pledged logistic support for a UN peacekeeping force of up to six battalions.

Proud as he was of Britain's part in UN peacekeeping, Mr Wilson felt that this was a second-best solution 'All who care about the UN and want it to grow in authority,' he said, 'are concerned that it should become better at solving rather than salving. As Lord Caradon never tires of reminding us, the fault lies with the members; it is not the political machinery provided by the UN instrument, but the political will to make effective use of it which is missing.' A British proposal, put forward in 1965, to secure the support of the General Assembly for greater use of the available means of peaceful settlement of disputes had been 'swept aside in a sudden wave of emotion over an unrelated issue'—Rhodesia However, Britain's continued support for the principle of peaceful settlement had recently been shown by the withdrawal of further reservations to the compulsory jurisdiction of the International Court of Justice, and the Prime Minister announced the intention of the British Government to sign the Convention on the Law of Treaties, approved by the Vienna Conference of April-May 1969

Improving UN Procedures and Practices

The British Government's concern with peaceful settlement made it 'look favourably at any and all suggestions calculated to improve procedures and practices at the UN', and in this connection the Prime Minister mentioned a Canadian proposal that the General Assembly should review its procedures This, he said, seemed 'a more hopeful approach to toning up UN performance than the more drastic ideas of revising the Charter root and branch' Of a proposal that the Security Council should hold periodic meetings at ministerial level, Mr. Wilson said that it was 'entirely in line with this Government's policy of pursuing every possible path to peace, that we should declare our readiness to participate in such talks in order to make the Security Council more effective in its job as prime guardian of international peace

Bahrain

In the context of peaceful settlement of disputes, the Prime Minister emphasised the importance of the diplomatic work of the UN Secretary-General This had been highlighted by the recent agreement by Iran and Britain (on behalf of Bahrain) that a UN representative [Signor Vittorio Winspeare Guicciardi, UN Under-Secretary-General and Director of the UN office Geneva] should go to Bahrain on behalf of the Secretary-General to enquire into the wishes of the people of that territory as to Bahrain's future status [1]

Arms Control and Disarmament

Emphasising the importance of the nuclear non-proliferation treaty, Mr Wilson described it as 'a major advance, important not only for the effect it will have in stopping the further spread of nuclear weapons, but as a step to further agreements There are still difficulties to overcome in the implementation of the treaty, and it is disappointing that there are a number of important

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[1] Signor Guicciardi visited Bahrain from 30th March to 18th April In his report, presented to the Secretary-General on 29th April, he said that his consultations had convinced him 'that the overwhelming majority of the people of Bahrain wish to gain recognition of their identity in a fully independent and sovereign state free to decide for itself its relations with other states' On 11th May the UN Security Council unanimously adopted a resolution, sponsored by Britain and Iran, endorsing the report

non-nuclear-weapon states which have not yet acceded to the treaty. But the treaty is the best hope that there will be no more nuclear-weapon states in 1980 than there were in 1965, and thereby the very real dangers of nuclear war will be much reduced.'

The Prime Minister welcomed the strategic arms limitation talks between the Soviet Union and the United States 'probably the most important arms control negotiations since the last war' and said that the Government regarded the conclusion of a comprehensive nuclear-test ban as 'a priority task in the nuclear field' This would complete the work begun by the partial test ban treaty of 1963, and Britain had put forward proposals in the summer of 1968 to advance the negotiations [see 19 12 69 pp. 1095-6], but the main obstacle to progress remained the question of verification, particularly on-site inspection. 'We must hope,' Mr Wilson said, 'that good progress in the strategic arms limitation talks may open the way to further movement towards a comprehensive test ban'

The Prime Minister went on to remind the delegates of other measures for the control of nuclear armaments, including the international treaties banning nuclear weapons from outer space and from Antarctica. More recently Britain had been the first nuclear power to associate itself with the Treaty for the Denuclearisation of Latin America [see 5 1 68 p 13 and 19 12 69 p. 1093] The Government, he said, was hopeful that a treaty for arms control on the sea bed [see 19 12 69 p 1096] would be successfully concluded this year. The British Government had also played a leading part in seeking further measures of control of chemical and biological warfare, particularly by tabling at the Conference of the Committee on Disarmament a draft convention to prohibit biological methods of warfare [to] prohibit not only the use of such weapons but also the production and possession of them [see 1 8 69 pp 647-50 and 19 12 69 pp 1096-7]

The International Arms Trade

'We would welcome international agreement on effective measures to control the arms trade,' Mr Wilson affirmed, 'and we have for some time been studying the problems involved and the best way to make progress. Past experience shows that an effective agreement will be difficult to reach, the active support of all major supplying countries is the primary requirement for an effective scheme but it would be a great achievement if, in this twenty-fifth anniversary year, progress could be made on this question, and we are prepared to take any action which might constructively lead to this end.'

On the limitation of arms supplies to the Middle East, the Prime Minister reminded the meeting that the British Government had imposed an arms embargo at the time of the Arab-Israel war of June 1967 and encouraged other states to do likewise 'We should like to see general agreement on the limitation of arms supplies to the area,' he said, 'even in advance of a political settlement. We are ready to join with others in working for such an agreement and have said so in the four-Power talks in New York'

Conclusion

In his concluding remarks, Mr Wilson affirmed that 'whatever the Government tries to do can never go far beyond the support it can enjoy from its people' He felt confident, however, that delegates would 'spread abroad the message of the United Nations' twenty-fifth anniversary –"Peace, Justice and Progress" - and so lend strength to our aim in maintaining the United Nations Organisation in its rightful place as the parliament of nations and the world's instrument for peace'

The Gambia

REPUBLICAN CONSTITUTION ADOPTED

On 24th April after a four-day national referendum, The Gambia was proclaimed a republic. The Prime Minister, Sir Dawda Jawara, became the country's first President, replacing the Queen as Head of State. Commonwealth Heads of Government have approved The Gambia's request to continue as a member of the Commonwealth.

The constitution, which was approved by the House of Representatives in December 1969, was accepted by about 70 per cent of those voting, in a poll of over 90 per cent of the electorate. A similar constitution had been proposed in November 1965, only nine months after the country had become independent [see 30.3.65 p. 298], but just failed to win the requisite two-thirds majority or half the total electorate. The new constitution retains the 'fundamental human rights' provisions of the independence constitution and provides for a balance of power between Executive, Judiciary and Parliament. There is to be an executive President and a Vice-President, who will take over some of the duties previously carried out by the Prime Minister. The President's tenure of office is linked to that of the House of Representatives, so that elections for both can be held simultaneously every five years. The last elections were held in May 1966. There are at present three political parties in The Gambia: the ruling People's Progressive Party, with 21 members in the House, the United Party with seven and the People's Progressive Alliance (formed in October 1968) with four. In addition there are in the House four nominated members and four Head Chiefs' Representative members.

ECONOMIC DEVELOPMENT AND AID

The Gambia covers a narrow strip of land, only some 20 to 30 miles wide, on the west coast of Africa, and extends inland along the Gambia river for some 200 miles. Apart from a short length of coastline, it is entirely surrounded by the Republic of Senegal. Most of its population of about 350,000 are engaged in agriculture, including livestock and fishing. The mainstay of the economy is groundnut production: this accounts for 95 per cent of The Gambia's exports and over a third of the gross domestic product. The Government is making every effort to diversify exports by developing other crops. Experiments are being carried out with cotton growing, planting of cassava and the growing and processing of limes. The production of rice, now The Gambia's staple food has made good progress, aided by experts from Formosa. There are expectations that the country will achieve self-sufficiency in rice and, eventually, an exportable surplus, within the next few years: it is already producing two-thirds of its requirement. The livestock industry is expanding and improvements have been made in the production of hides and skins. Tourism is also beginning to play its part in the economy and, with the increase of tourist traffic, there are plans to develop Yundum Airport and to build additional hotels.

The Gambia's lack of natural resources led to some misgivings, at the time of independence, over its economic future. Britain gave an assurance that it would continue to provide economic support for the country, but the Gambian Government has not had to take up the British offer of budgetary assistance since independence, despite a budget deficit in 1968-69. Although the Government strictly controls its expenditure, it recognises the need for further aid for development projects. Britain is at present the main source of aid [see 5.1.68 p. 20]. At the beginning of The Gambia's 1967-71 Development Programme,

which is chiefly concerned with agriculture and communications, Britain provided a £3·2 million interest-free loan to help finance development schemes: in addition it supplies various forms of technical assistance to the value of some £½ million each year. A loan of £100,000 has also been given towards improvements to the ferry on The Trans-Gambia Highway, which links the northern part of Senegal with the southern. Britain has contributed to the cost of certain improvements, such as effective telecommunications and aids to navigation, in the development of Yundum Airport. The Gambia also receives some aid from the United States, the Chinese Nationalist authorities on Formosa and the Federal Republic of Germany

In January 1970 approval was given for a three-year hydrographical and topographical survey of the Gambia river basin, to be financed by the United Nations Development Programme The results of the survey are expected to benefit both The Gambia and Senegal Another project, agreed in April 1970, was for the improvement of facilities at the port of Bathurst, capital of The Gambia, with the aid of an interest-free loan of £875,000 from the International Development Association The project, which should be completed by mid-1973, will increase port capacity and improve operating efficiency. It is of considerable importance to a country so dependent on external trade. Two-thirds of the groundnut crop is brought to Bathurst, where it is processed into oil and cake by local mills and exported The Gambia river provides an excellent waterway and is navigable for most of its length within the country. The Gambia River Transport Company was set up in 1963 to carry out the shipment of the crop Its fleet has recently been enlarged and modernised. Although transport of agricultural products is largely by means of the Gambia river, the Government is carrying out a programme for construction of all-weather roads running parallel to the river

Traditionally a certain amount of unrecorded trade takes place on the borders between The Gambia and Senegal Sir Dawda Jawara has said that the volume of goods exported in this way is not large and that only a negligible proportion is illicit Nevertheless the trade causes Senegal some concern and attempts are being made by both countries to reduce or eliminate it. In February 1969, at the fourth meeting of the Senegalo-Gambian Inter-State Ministerial Committee, agreement was reached in principle on the establishment of a customs union, as recommended by a UN report in 1964. Further discussions on this and other subjects of joint economic interest were held early in 1970.

Britain and Europe

Official spokesmen, both in Britain and EEC countries, have expressed confidence that negotiations on the applications by Britain, the Irish Republic, Denmark and Norway to join the European Communities will commence within the next few weeks. Considerable progress has been made by EEC Ministers towards the formulation of a Community negotiating position [see 2.1.70 p. 6] and several internal problems, which had been delaying the Community's progress, have now been resolved. Meanwhile, British Ministers have reiterated the desire of the British Government to enter into negotiations in good faith.

The Timing of Negotiations

Following visits to each of the EEC capitals for talks on Britain's application, the Chancellor of the Duchy of Lancaster, Mr. Thomson, has stated that he expects the negotiations to start at an early date. At a press conference in Bonn

on 15th April, he said: 'There appears to be a general feeling that they ought to begin with a meeting of the four applicants with the six countries of the Community. . . . We would like to see that followed up with a meeting between Britain and the Community itself before the summer holidays.' Asked about the expected length of the negotiations, he replied: 'I would set a year as my target time for the actual negotiations, but it might be a bit longer'.

Progress Within the EEC

The Foreign Ministers of the EEC, meeting in Brussels, have made further progress on the establishment of a common negotiating position. At a Council of Ministers meeting on 20th and 21st April, the Ministers settled outstanding details regarding the proposed transitional arrangements for new members and reached agreement on problems concerning economic and monetary union, the development prospects of the Community, and the European Coal and Steel Community. Questions relating to the Commonwealth are to be further discussed at a later Council meeting.

At the April meeting, the Foreign and Agricultural Ministers of the EEC adopted a regulation on details of the proposed common wine policy; this regulation, together with others which are to enter into force at the same time in June 1970, sets up a Community organisation for the market in wine products with tariff-free intra-Community circulation in wine.

The Foreign and Agricultural Ministers also gave final approval to the provisions of the earlier Council agreement [see 13 2 70 pp. 147-8] on Community finance and the programme for increasing the budgetary powers of the European Parliament. Taking account of the views which had been expressed in the Parliament that the increase in powers was inadequate, the Ministers agreed that they would examine further proposals which the Commission would submit within two years.

Minister's Speech on Anniversary of Schuman Declaration

The twentieth anniversary is being celebrated of the proposal made on 9th May 1950 by M. Robert Schuman which led to the setting up of the European Coal and Steel Community, the first of the European Communities.

Mr Thomson stressed the significance of the forthcoming membership negotiations when he spoke on 7th May at the opening of a conference at the Royal Institute of International Affairs in London, held to mark the anniversary of the declaration. He surveyed Britain's relations with the Community at the time of its foundation, noted the Community's achievements during the decade of its transition period, and listed the main issues to be settled by Britain and the EEC in the negotiations.

Mr. Thomson referred to the Schuman declaration as 'the decisive step forward in the direction of a united Europe', adding that 'Britain's energies and idealism were deeply absorbed at that time with the enormous task of turning an empire into a Commonwealth of independent nations and did not realise at that stage the full implications of the Community experiments. . . . But even during this period we remained a major European nation conscious of our European responsibilities. We played a leading part in the Council of Europe and—I think I can fairly say—a crucial part in the organisation of European defence through the Brussels Treaty and the Western European Union.

'British history and British culture are an inextricable part of the European heritage. We have lost millions of dead in two wars fought in Europe and fought about Europe. Against this background in those years we committed ourselves more completely than ever before in our history to the defence of our common European unity. We also joined with our partners in creating the industrial free trade area which is EFTA. It will be important in the developments that lie

ahead for the association of applicant and non-applicant members to go forward on the basis of closest consultation with the aim of creating an enlarged Europe. . . .

'Europe stands at another of those historic moments of opportunity as it did at the time of the Schuman declaration, and this time Britain stands ready to play her full part in creating a more united Europe'

Towards Full British Membership

Noting that successive British Governments of different parties had applied for membership of the Communities, and that the present Government had maintained the application for three years and 'refused to be diverted into compromise solutions falling short of full membership', Mr. Thomson said that the Government was determined to pursue the forthcoming negotiations 'to a successful conclusion on terms fair to all'

The Main Issues

The Minister said that Britain wished the negotiations to be confined to a comparatively small number of issues; these, he said, had been set out in the statement made by Mr George Brown to the Western European Union in July 1967 [see 4 8 67 pp 783-8] 'Apart from these issues, we accept all three Community treaties, subject only to the adjustments which are required to provide for the accession of a new member The major issues include the inequitable burden which the existing financial arrangements for agriculture would place on Britain, the need for a transitional period or periods to permit a gradual adaptation to the circumstances of an enlarged Community, the need to make provision for the interest of the developing countries and territories whose economies are dependent on the Commonwealth Sugar Agreement, and the need to make provision for New Zealand's dairy products'

Mr Thomson emphasised that 'the task of integrating the economy of a great food-importing country into a Community of nations who are largely self-supporting is no light one', and presented new problems for the Six 'of a different character from the difficult enough problems the Six have had to solve among themselves in the agricultural field' He pointed out that 'a solution which imposed an unfair balance of payments burden on Britain would damage the economy of both this country and of the Community; a fair solution to this lies at the heart of the negotiations. . This can only be put to the test in Brussels

The Wider Perspective

Mr Thomson said that it was 'a commonplace' that 'even greater issues hang on the success or failure of the economic negotiations -the removal once and for all of the economic divisions which have unnaturally divided Western Europe and the establishment of a proper foundation for the development of Europe as a community with real influence in world affairs, in the political and defence fields as well as in the economic and commercial fields. . . .

'Our defence policy is increasingly centred on Europe and concerned with the development of an effective European presence within the framework of the Atlantic Alliance. . . . All this gives us an equal right with other European countries to play a full part in any new attempt to further European unity.'

The Communities' Achievements and the Future

'Taken together, the achievements of the Communities since the Schuman declaration are very considerable', continued Mr. Thomson, 'particularly because each of them broke new ground at the time.' He listed some of the main successes as: 'A pooling of the coal and steel industries of countries with a

history of wars between each other . . . the establishment of a real reconciliation between France and Germany; the creation of a customs union involving free movement of goods, labour and capital; the creation of a single agricultural system, whatever its imperfections; agreement to negotiate in the Kennedy Round as a Community; and the adoption of a single system of indirect taxation throughout the Community.' These were only some examples and only a beginning in terms of the Community's aspirations; but they were remarkable successes to the Community's credit. 'At each stage there were sceptics who said " Because this has never been done before, therefore it cannot successfully be done now "; the sceptics were proved wrong.'

Looking to Europe's future, the forthcoming enlargement negotiations and the measures for the strengthening of the Community which were outlined in the communiqué issued after The Hague summit meeting [see 2.1.70 pp 6-9], Mr. Thomson concluded by saying that 'here again we have a tremendously ambitious programme', but added that that was no argument against its being achieved. It was in a spirit of optimism that he approached 'the historic negotiations'.

The Middle East Situation

The views of the British Government on the need for political settlement in the Middle East, on the methods by which agreement might be reached and on the significance of the four-Power talks in New York were given in the course of a debate in the House of Commons on 13th April by the Foreign and Commonwealth Secretary, Mr. Michael Stewart, and by Mr. Evan Luard, Joint Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs.

Worsening Conflict

Since the early months of this year [see 27.2.70 pp 208-11] the situation has continued to be characterised by a high level of military confrontation which has occasionally erupted into major actions, as on 2nd April when an engagement took place on a 20-mile front between Israeli and Syrian armoured, artillery and air units. Incursions by Arab guerrillas into Israel-held territory from bases in the Lebanon, Jordan and Syria have continued, as also have reprisal attacks on these bases by Israeli air and land forces, which included the temporary occupation of a Lebanese village on 6th March. There have been further artillery barrages and occasional commando assaults across the Suez Canal and heightened aerial activity.

This aerial activity has included not only sustained Israeli air bombardment of Egyptian positions on the Suez Canal and Egyptian sorties against Israeli targets in the Canal zone and Sinai, but also, from mid-March to mid-April, deep penetration raids by Israeli aircraft into the United Arab Republic [UAR] to attack anti-aircraft missile sites and radar stations, particularly in the Nile delta. In one of these raids, on 8th April, on a target in the El Qantara area, claimed by the Israel Government to be a military target, 46 children were killed.

Soviet Involvement

A new element was added to the situation in mid-March with the introduction into the UAR by the Soviet Union of more advanced anti-aircraft missiles and associated radar equipment. Press reports indicated that *SA-3* missiles

designed to counter low-flying aircraft, were being deployed in the C Alexandria and Aswan Dam areas. It was also reported that they were l emplaced and manned by Soviet personnel.

Describing this situation on 13th April (*Hansard*, col. 1140) Mr. L said that it was common knowledge that there had been Russian adviser instructors in the UAR for a considerable period. He added: 'Some o missiles recently introduced are of a sophisticated kind not previously in the UAR and it is perhaps a reasonable presumption that there ma Soviet personnel involved in the operation of these missiles.'

Mr. Luard welcomed the decision of the United States Governm announced on 23rd March, not to supply Israel with additional *Phantom Skyhawk* aircraft on the ground that Israel's air capacity was considered suffi to meet its present needs, a decision which the US Secretary of State, William Rogers, said would be reconsidered if the current military ba was upset. Mr. Luard hoped that this decision would 'set an example to countries engaged in the supply of arms to countries in the area' and th might bring about greater restraint in this respect than had been show the past. The British Government had many times made clear its read 'to agree either to a total embargo on the supply of arms in the area, least to a limitation on the supply of arms. This view was repeated by the P Minister in a message to Mr Kosygin only a month or so ago It is very a matter of regret that the proposal has not been accepted by the Soviet Gov ment.'

An Israel Government statement on 29th April alleged that 'for the time Soviet pilots are flying operational missions from military installa under their control in Egypt The operational activity of the Soviet pilot not extended so far to the cease-fire line and they have not been involve air combat in this region' A White House spokesman said later that Presi Nixon had ordered a review to determine whether the military balance been altered Mr Stewart said in the House of Commons on 30th April (*Han* col. 1460) that the British Government was urgently examining the preva situation in the light of the Israeli statement, which caused deep concern [1]

Possibilities of a Settlement

Opening the House of Commons debate on 13th April (*Hansard*, 1026-1148) Mr Stewart stressed the Government's belief that it was righ seek a cease-fire between the conflicting parties. Even if this could be achi for the time being, it would not last without a political settlement. Britain a strong interest in the achievement of an agreed and peaceful settlement reason of its importance for British prosperity, and because of past connect Also, Britain had a continuing responsibility as a permanent member of the Security Council, and if there was any basis on which a solution could be bu was the Security Council resolution of 22nd November 1967 which had resu from a British initiative

Mr Stewart quoted President Nasser as having said in a press inter in February that the resolution provided a solution to the problem of w drawal and the problem of the refugees 'while offering Israel guarantees a her right to sovereign existence, to security and peace, and of free passag her ships through the Gulf of Aqaba and the Suez Canal'. He quoted Foreign Minister of Israel, Mr. Eban, as having said in the UN General Asser in September 1969: 'In a communication to Ambassador Jarring on 2nd A 1969, Israel declared that she accepts the Security Council resolution callin

[1] In a further statement on the Middle East situation on 13th May (*Hansard*, cols. 302-3), Mr. confirmed that 'combat-ready aircraft manned by Soviet pilots are now operational over certain of the United Arab Republic'.

the promotion of agreement on the establishment of a just and lasting peace to be reached by negotiation and agreement between the Governments concerned.' The problem was, the Foreign and Commonwealth Secretary continued, ' to turn the necessary general phrases of the resolution into a precise list of actions to be carried out by both parties on particular dates, all of them dependent on each other, so that when they are all complete everything in the resolution will be fulfilled '. This task had so far eluded solution

The Questions of Withdrawal and Boundaries

Turning to what this meant in practice, Mr. Stewart considered the questions of withdrawal and boundaries, which he felt ' must be taken together as a matter of plain common sense ' He went on ' I think that it is now agreed by the parties concerned, certainly by the four Powers, that it is legitimate to speak of small alterations, in interests of security to those boundaries which existed at the beginning of the 1967 war [1]

' The boundary between Israel and the United Arab Republic has been understood and recognised for some time and, I think, would not be in question As to the boundary between Israel and the Lebanon, I doubt whether anyone would question that this should be the boundary between the Lebanon and the former mandated territory of Palestine

' The boundary between Israel and Jordon presents greater difficulties For our part, we would take broadly the same view as is taken by the United States, that modifications would have to be made here that they would be small in scale and that their motives would be security or on , very minor key administrative convenience

' There remains, on the question of boundaries the great question of Jerusalem, on which I think it would be idle for anyone to try to make a final pronouncement until we have got further in solving the other questions in dispute I believe that if all the parties concerned could get nearer on all the other questions, and if they felt that the whole issue between peace and hostility lay on whether they could agree about Jerusalem, or not if they once got to that point there might be more willingness on both sides to make concessions if they felt that this and this only lay between peace and hostility But I think that to try to begin with this question would frustrate the hope of agreement

With regard to the question of the boundary between Israel and Syria, Mr. Stewart said that ' for the present we must lay this aside ' Syria had not accepted the Security Council resolution ' We are fully entitled to take into account the opinion of any State which accepts the resolution I believe that those States which do not accept it ought to think very carefully again whether they might not be wiser to do so '

It was important to ' understand how Arab countries feel about the occupation of immense areas of their territory by Israeli forces That is why from the Arab point of view, withdrawal is essential

' The exact counterpart from the Israeli point of view is an absolute commitment to peace My belief is that Israel would go a long way if she could feel absolutely certain that at the end of it she would be secure and at peace This is as vital to her as withdrawal is to the Arab countries ' It was essential, Mr. Stewart believed, for Arab countries ' to make it clear beyond a shadow of doubt that they accept Israel's right to exist as the kind of State she wants to be '

A necessary corollary of recognition of Israel's right to exist and of peace was the recognition of freedom of navigation in international waters A further

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[1] Referring, later in the debate, to the question of exact interpretation of the November 1967 resolution [see 8 12 67 pp 1228-9], Mr Luard pointed out that ' it referred only to withdrawal from " territories occupied by Israel rather than from " the territories or ' all the territories " . That phrase [illegible] be taken in conjunction with the other provisions of the resolution which refer to the need for secure recognised boundaries '

question was the refugee problem. United Nations resolutions had 'broadly set the course as to how it should be dealt with. It presents difficulties for Israel, and I would have thought that she should try to meet these difficulties if she can get the one prize that matters to her above all - the absolute guarantee of her peace and security in the future.'

How Agreement Might be Reached

There remained the question of how agreement might be reached. Mr Stewart's view was that 'direct negotiations between the parties concerned would be a right method of reaching agreement' and he regretted that the Arab Governments would not enter into direct negotiation. On the other hand, the Israel Government must be asked, since direct negotiation was at present impossible, whether it was wise for them to reject any alternative to it. 'The dangers of continuing the dispute, the advantages to be gained by agreement, are both so enormous that, even if one takes the view, as I do, that the refusal of direct negotiations cannot be defended, since that refusal exists, since for a variety of reasons direct negotiations do not seem possible, we must look for an alternative.'

The Security Council resolution had provided for the appointment of Dr Jarring. Dr Jarring's task had been 'to turn the resolution from a statement of principles into a solid pronouncement of what needed to be done on both sides.' It was greatly to be regretted 'that Dr Jarring could not get a degree of solid answer from both sides which would have enabled him to proceed.' Only when this was apparent had the British Government agreed to take part in the four-Power talks. The job of the four Powers was not to take Dr. Jarring's place, 'but to equip him with such a degree of agreement that he could usefully set out on his travels again.'

The British Government, Mr Stewart said, 'will do their best, as they have in the past, in the promotion of the resolution, in patient argument with all the parties concerned, in playing our full part in the four-Power talks. In the end, the final responsibility must rest on the parties concerned in the Middle East. With all the emphasis that I can command, I ask the Governments of Israel and of the Arab countries to think of the human beings involved.'

Mr Luard also referred to the four-Power talks. The four Powers in New York, he said, were engaged in trying to produce a 'more detailed interpretation of precisely what the necessarily somewhat general provisions of the resolution should mean in terms of specific, concrete obligations and commitments by the parties to the dispute'. There had been significant progress in the four-Power talks during the last few months, 'perhaps not enough but certainly the progress is not to be despised. Only two weeks ago there was agreement to ask the deputies of the representatives of the Four to draft a document setting out the degree of agreement so far reached in the discussions, in the hope that this would provide the basis for a document which could be used by Ambassador Jarring in his mission in the area. There have already been several meetings of the deputies and a certain amount of progress has been made in that task. There have been significant concessions made by all the parties in the talks.'

The British representative, Lord Caradon, had been among the most active participants in the talks in seeking to arrive at satisfactory formulations to be the basis of agreement, two important British formulations recently put forward had concerned the commitment to withdraw to be made by Israel and the commitment to be made by the Arab states to live in peace with Israel.

Mr. Luard stressed 'the need for the maximum flexibility in the choice of the necessary procedures for arriving at a settlement.' No procedure should be excluded; he recalled the 'Rhodes formula' [see 27.2.70 p. 203] which had 'contained within it the necessary ambiguity perhaps to provide some satisfaction for both sides'. Another suggestion, made by Sir Alec Douglas-Home during

the debate, was that a conference should be convened of the four Powers together with the parties themselves, perhaps in some general way under UN auspices Mr. Luard agreed that this had some of the advantages of the ' Rhodes formula ' in that it might serve to help to overcome the difficulties that had arisen over the question of procedure. The success of any such proposal would depend crucially on its timing; the present time would not be favourable. The four Powers were ' at present engaged, with some success and some progress, in the search for some agreed document which could be used by Ambassador Jarring in a resumed mission in the area itself. It is still our hope that this will succeed. In our view this should be the next stage '

Mr. Stewart discussed the Middle East situation with President Nixon and Mr. Rogers during his visit to New York on 15th May to attend the Central Treaty Organisation's Ministerial Council meeting

Aid for British Dependencies

THE ACHIEVEMENT OF CD & W

Colonial Development and Welfare (CD & W) legislation, which came to an end on 31st March 1970, has been the main source of economic assistance to Britain's dependent territories since 1929. Under it nearly £500 million has been disbursed or committed.

The fact that the legislation has come to an end does not represent any change in the British Government's aid policy. The essential requirements of the remaining dependencies continue to have 'a prior claim on the aid programme', as stated by the Minister of Overseas Development on 19th March (*Hansard*, written answers, col 207). With the achievement of independence by so many of the former dependencies, special legislative provision for the development needs of the few that remain is no longer necessary, however, and aid to these territories will be provided under the authority of the Overseas Aid Act 1966 a change which will simplify administrative and accounting procedures.

Earlier Financial Aid

Prior to 1929 financial assistance to the dependencies was mainly in the form of grants in aid of administration, which were made available after 1878 as budget subsidies for the basic services provided by colonial governments from the limited resources existing at that time. The British Government's responsibility for the development of the dependencies on a continuing basis was first recognised in the Colonial Development Act of 1929. This legislation, which established a Colonial Development Fund, enabled Parliament to vote an annual sum of up to £1 million over a period of up to ten years for grants and loans to the dependent territories to aid the development of agriculture and industry.

Although colonial governments were able, with this assistance, to make a tentative start with plans for economic development, it became evident during the 1930s that the provisions of the 1929 Act were too limited in scope to cater for long-term development plans requiring substantial and assured sources of financial assistance. The British Government therefore instituted an inquiry and a review of policy on the development needs of the dependent territories. The report of the Royal Commission on the problems of the West Indies, published in February 1940, emphasised the need for greater expenditure on economic and social development, and a government statement of policy[1], made the same month, acknowledged that the dependencies lacked sufficient resources to finance the development required and accepted the responsibility to provide additional assistance. The first of a series of Colonial Development and Welfare Acts was subsequently passed by Parliament in July 1940.

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[1] Published as a White Paper *Statement of Policy on Colonial Development and Welfare*, Cmd. 6175.

The 1940 Act and Post-War Legislation

Under the terms of the 1940 Act the scale of financial assistance was increased to £5½ million a year for ten years. The aid was to be applied to 'any purpose likely to promote the development of the resources of any colony or the welfare of its people.' Payments out of the Exchequer towards the maintenance costs of development, previously precluded, were to be allowed; advisory committees on development, welfare and research were established; and the economic and social services of the Colonial Office were expanded. This first CD & W legislation was rightly described as an act of faith and confidence, as 1940 was for Britain perhaps the most crucial year of the second world war

When peace came in 1945 a new CD & W Act was passed which provided the basis for development assistance in the post-war years. The allocation for colonial governments was increased to £120 million over 10 years, and planning was made easier for them by the provision that money could be drawn at any time within the period, subject to a ceiling of £17½ million a year The 1959 Act raised the permissible annual rate of expenditure to £25 million Further Acts were passed in 1949, 1950, 1959, 1963 and 1965

Post-war CD & W legislation made available a total of £390 million for development and welfare schemes, including research during the period 1946-70 Provision was also made, under the CD & W Acts of 1959 1963 and 1965 for loans from the Exchequer towards the cost of approved development programmes in the dependent territories, some £125 million was made available by these Acts for the years 1959-70

The Extent of CD & W Assistance

Financial assistance for every aspect of economic and social development has been provided for by CD & W legislation Most of the funds have been committed to such vital sectors as communications (£78 million), education at all levels (£72 million), agricultural development (£66 million) medical and health services (£30 million), and water supplies and sanitation (£23 million)

Altogether, nearly 8,000 schemes have been provided for since the first CD & W Act was adopted in 1940 Among those which have had a far-reaching

TABLE 1

EXPENDITURE AND COMMITMENTS UNDER CD & W LEGISLATION 1929-70

£ million (sterling)

1929	Colonial Development Act		[illegible]
1940	CD & W Act		30.6
1945-65	CD & W Acts	Schemes	336.6*
		Research (to 31 3 62)	21.1
		Provisional 1969-70	9.6
1959-65	CD & W Acts	Section 2 loans	92.2
		Total	497.7

* For details see Table 2

TABLE 2

CD & W SCHEMES APPROVED 1st APRIL 1946 TO 31st MARCH 1969

£ sterling

Class of scheme	Grants	Loans	Total
Administration and organisation	4,243,994	-	4,243,994
Physical planning, survey and census	17,899,036		17,899,036
Communications			
Civil aviation	9,958,722		9,958,722
Ports, harbours and water transport	8,104,291	1,661,667	9,765,958
Railways	799,770	—	799,770
Roads	56,514,546		56,514,546
Telecommunications	1,209,318		1,209,318
Economic			
Agriculture and veterinary	40,046,988	1,316,053	41,363,041
Fisheries	1,779,513	111,169	1,890,682
Forestry	5,849,603	5,900	5,855,503
Irrigation and drainage	6,566,631	434,359	7,000,990
Land settlement	5,997,883	27,450	6,025,333
Soil conservation	4,126,064		4,126,064
Electricity and power	670,595	45,911	716,506
Industrial development	2,032,699	6,855,600	8,914,039
Social			
Education			
primary and secondary	36,259,892	42,500	36,302,392
technical and vocational	11,686,956	-	11,686,956
higher	24,265,201	-	24,265,201
Medical and health services	29,729,962	—	29,729,962
Housing and town development	14,860,361	370,647	15,231,008
Nutrition	237,508	93,778	331,286
Water supplies and sanitation	22,495,630	149,750	22,645,380
Broadcasting, films and public information	4,095,167	—	4,095,167
Welfare	2,947,736	—	2,947,736
Training for overseas civil service	5,145,279	500	5,145,779
Miscellaneous	7,761,954	209,760	7,971,714
Totals	325,311,039	11,325,044	336,636,083

effect on the economies of the developing countries have been schemes for road building and telecommunications in Nigeria, land settlement and agricultural development in Kenya, and airport construction and improvement in the West Indies. One of the largest of recent schemes has been the building of a new capital in British Honduras.

Figures of the amounts actually disbursed or committed are given in the tables.

Shipping

ROCHDALE REPORT

The report of the Committee of Inquiry into Shipping was published on 6th May (Cmnd. 4337, HMSO, 60s). The committee was set up on 19th April 1967 under the chairmanship of Lord Rochdale 'to review, in the light of current commercial and technological development, the organisation and structure of the United Kingdom shipping industry, its methods of operation and any other factors which affect its efficiency and competitiveness, and to recommend what action should be taken by shipowners, seafarers and Government, to bring about changes which would improve the position of the industry in these respects'. The committee was concerned primarily with the shipping activities of persons resident in the United Kingdom, taking into account the international character of the industry and relationships between governments. It also took account of the reports of Lord Pearson's court of inquiry into matters concerning the shipping industry [see 22.7.66 p. 792 and 31.3.67 p. 353]. The intention to set up the committee was originally announced in June 1966 during the seamen's strike of that year.

The report was described by the President of the Board of Trade, Mr Mason, in the House of Commons on 6th May (*Hansard*, written answer col. 131) as the first comprehensive official review of the British shipping industry ever undertaken. Extensive consultation with the interests concerned would begin immediately, he said, and comments would be fully considered before the Government made decisions on the recommendations.

Recommendations include the setting up of a Ship Research and Development Institute, an Industrial Training Board for Shipping with a qualification board, and a statutory Marine Authority for safety control; the merging of the fleets of British Railways and the National Freight Corporation; the replacement of investment grants for ships by investment allowances, a code of conduct for shipping conferences, and an international treaty on shipping practice. The committee found that wide-spread improvements in the position of the industry were already taking place.

Background

During the period of rapid development of the world merchant fleet from 1850 to 1914, the British fleet became generally dominant. However, by the turn of the century its share of the world fleet had begun to decline, though in 1914 it still accounted for 40 per cent of the total. Of the 250-300 million tons per annum of goods moving in international trade at that time, 150 million tons were moving in or out of Britain. Since then British shipping had suffered extensive damage during two world wars, and had had to adapt itself to the loss of Britain's overseas possessions and to far-reaching changes in flows of trade

types of commodity, size of ships and methods of handling goods. In addition it had been affected by the relatively slow growth of Britain's trade in relation to that of the world as a whole, and of the types of trade to which British owners had tended to devote much of their effort, namely in providing general-purpose liner services.

Since 1937 world seaborne trade by weight had expanded by over four times. Annual trade in oil had expanded tenfold, as against the doubling of the volume of dry cargo. Today, world seaborne trade by weight was divided into one-half petroleum and petroleum products, one-quarter bulk dry cargo and one-quarter other dry cargo. Tanker size had grown from the typical 16,000 deadweight tons (dwt) of 1945 to the 200,000-350,000 dwt vessels now coming into use, while many of the general-purpose tramp ships of 8,000-15,000 dwt had been replaced by purpose-built bulk carriers, some of 100,000 dwt and over. Meanwhile, passenger traffic had diminished sharply under competition from air travel.

The British fleet had in recent years grown more slowly than the world fleet in general. Between 1939 and 1968 it increased from 17 million gross tons to 20.6 million gross tons, its share of the total falling from 28 per cent to 11·5 per cent. However, the committee now detected more vigorous development in general, and in particular a growing recognition of the need for modern professional management and eagerness to evolve new methods of operation.

Foreign Competition

In all its business the British merchant fleet had to compete with overseas owners, it had no protected home market. At a time of growing world trade it had to some extent been hampered by such practices as flag discrimination, use of flags of convenience, and subsidies and other protection given by other governments to their national fleets. However, the committee found that these factors had had a relatively small effect on the industry as a whole, though they had tended to loom largest in the trades where Britain was especially active. Most of the world's shipping business was not affected by any significant government intervention. Many countries, however, though not Britain, reserved their coastal trade for ships of the national flag. A number of countries, notably the United States and many in Latin America, protected their international shipping by way of flag discrimination, commonly by reservation of proportions or types of cargo to national ships. The trade of most Communist countries was effectively restricted to national ships. Nevertheless, the committee estimated that perhaps only 3 per cent of the non-Communist world's seaborne trade was diverted from normal commercial channels in this way. Even for the liner trades, where Britain was especially active, the estimate was only 8 per cent.

In recent years fleets have been founded by developing nations formerly dependent on the services of others. This had particularly affected trade between Britain and India, Pakistan and West Africa.

General operating subsidies were paid to operators in the United States and Japan, and subsidies for specific purposes to operators in Italy, France and Spain. The United States also subsidised the building of ships. The committee concluded that operating subsidies did not significantly affect the profitability of world shipping as a whole, though they might well do so on particular routes.

Fleets operating under flags of convenience—under the flags of countries other than their own in order to avoid heavy taxation or onerous safety and welfare obligations or high wages—were divided fairly evenly between dry bulk and tanker vessels. Having grown from under 3 million gross tons in 1948 to 33 million gross tons in 1968, they accounted for nearly one-fifth of the world's merchant fleet. The major flag of convenience was that of Liberia, a non-maritime country with the largest fleet in the world in gross tonnage terms. The committee nevertheless did not believe that the practice had resulted in any substantial addition to world tonnage or to sub-standard operating on any large scale.

of conduct. The code should be evolved through negotiation between representatives of the Government, owners and shippers, but should cover at least the following points:

(1) Applications from would-be new members, if not settled between existing members and the applicant, should be referred, at the applicant's request, to a panel with an independent chairman on which shippers had representation.

(2) Tariffs should be published and available to anyone on request, at reasonable cost.

(3) Independent accountants appointed by the conference should examine annually the costs and revenues of each conference member on individual routes. An agreed analysis of the information, indicating at least the trend of costs and profits, both on average and by range, should be available to representatives of the Government and of shippers when changes in tariffs were proposed or at stated intervals of two or three years, whichever were the less

(4) Standing arrangements for regular consultation between representatives of conferences and shippers.

(5) Consultation with the Government.

An International Treaty

As shipping was an international activity, an international agreement on a general code of shipping practice would become necessary, to establish an agreed set of principles within which governments should develop their shipping policies. It should include the most-favoured-nation principle, a general prohibition of flag discrimination in international trading, and provisions designed to restrict operations under flags of convenience

Welfare and Safety

For over 100 years the Government had directly exercised extensive powers to secure the safety of ships and the welfare of seafarers The committee recommended that a statutory Marine Authority should be set up to formulate and enforce marine safety regulations, the authority should be governed by a council appointed by the responsible Minister, with a membership reflecting the appropriate interests and with at least two independent members There should be a statutory code of safety aboard ships, with severe penalties for those failing to comply with it.

Training

Numerous recommendations had been made on training matters. The major proposal was for the setting up of an Industrial Training Board for Shipping under the Industrial Training Act 1964, containing within its framework a qualifications board with a general responsibility for setting standards and for examinations. Among the new training board's first tasks should be

(1) the commissioning of a thorough survey of future man-power requirements;

(2) a systematic job analysis to determine the education and training necessary for seafarers and shore staff;

(3) encouragement of rationalisation of existing training arrangements and establishments.

The committee was concerned at the high rate of wastage among seafarers, and about the general attitude among the public to life at sea. It considered that the industry's image needed to be improved, so that more recruits would come forward, and that nautical training should be more closely integrated with

national educational and training arrangements, and should leave seafarers with nationally recognised qualifications on leaving the sea for employment elsewhere.

Research

Accelerated technical development meant that a greater and more effective research and development effort was needed if shipping was to remain competitive. Meanwhile the existing fragmentation of effort in both shipping and shipbuilding was hampering progress. The committee therefore recommended the establishment of a single new body, the Ship Research and Development Institute, to absorb initially the British Ship Research Association, the Ship Division of the National Physical Laboratory, and the Shipowners' Refrigerated Cargo Research Association. The institute should be controlled by a Ship Research and Development Co-ordinating Authority, which should also act as a co-ordinating body for government-aided work in other centres.

Marine Safety

REPORT ON THE SEARCH AND RESCUE ORGANISATION

The report of the committee set up to review the Marine Search and Rescue Organisation of the United Kingdom was published on 29th April (HMSO, 4s). The committee, under Board of Trade chairmanship, included representatives from the Ministry of Defence, the Chamber of Shipping of the United Kingdom, the Royal National Lifeboat Institution (RNLI) and other interested bodies. It was appointed in 1967 ' to review the Marine Search and Rescue Organisation in the United Kingdom, and to make recommendations for any improvements considered to be necessary, to examine the liaison with search and rescue organisations in other countries, and if necessary to make recommendations concerning representations that might be made to these other countries '.

In general the committee found that the present arrangements worked very well, but a number of recommendations have been made on matters of detail, and are now under examination by the Board of Trade.

Background

A large increase has taken place in recent years in the number of calls made on the rescue services, in particular as a result of the increase in pleasure sailing and motor boating around British coasts. In 1968 the Coastguard handled 1,030 small boat incidents, compared with only 429 in 1964. Altogether, excluding false alarms, there were 2,039 incidents in 1968 as against 929 in 1964. The committee estimated that at least £4 million a year was spent on civil marine search and rescue, in addition, ships incurred financial losses as a result of participating in rescue operations.

The Organisation

A number of individuals and bodies may be involved in any search and rescue operation. Masters of ships in distress and of ships in the vicinity are obviously vitally concerned, and the committee produced a manual for their guidance, which has since been used as the basis for a draft *Merchant Ships Search and Rescue Manual* (MERSA) agreed upon by a special working party of

IMCO (Inter-Governmental Maritime Consultative Organisation, a United Nations agency with headquarters in London).

The Marine Search and Rescue Organisation is made up of the Coastguard (administered by the Board of Trade), the RNLI, officers of the fishery departments of the Government, the Ministry of Defence, coast radio stations and air traffic control centres.

The Coastguard is responsible for initiating and co-ordinating search and rescue measures for all vessels in distress off British shores—an area bounded by latitudes 43° and 68° North, by longitude 30° West and by the coastline of Western Europe or 8° East, whichever is nearer to Britain's coastline There are 127 coastguard stations manned by regular coastguards and 245 auxiliary stations; 500 regular coastguards are assisted by about 7,000 part-time auxiliaries, most of whom are members of the Coastguard Rescue Companies which man breeches buoy and other rescue equipment and search along the coast when required. A constant watch is maintained at 48 stations, and at busy periods and in bad weather at a number of others. The committee recommended an increased publicity effort to inform the public more fully of Coastguard services

The RNLI, a private organisation set up for the sole purpose of saving life at sea from shipwreck on or near the coasts of the UK, Channel Islands, Isle of Man and Republic of Ireland, is supported entirely by voluntary subscription. It owns 137 lifeboats, depending on type these can receive from 50 to 120 survivors, and all are able to operate over a radius of at least 90 miles All have radio-telephony equipment, many have radar, and a few have Decca navigator equipment Small, fast inflatable boats inshore rescue boats were introduced in 1963, mainly for summer use While the Coastguard has no authority over the RNLI, in practice they co-operate closely

The Coastguard may call for assistance from the defence forces The appropriate naval Commander-in-Chief may ask the Royal Air Force (RAF) to make an air search. Air operations are controlled by the Joint Services Rescue Co-ordination Centre, while surface effort is controlled by naval staff, but both operate together from a joint maritime headquarters

The RAF has two *Shackleton* aircraft on continuous standby for search and rescue around Britain and in the eastern Atlantic RAF *Whirlwind* helicopters are deployed in pairs from a number of stations, while naval *Whirlwind* helicopters may also assist, though they are not kept in the same state of readiness for emergencies.

Meteorological Office ocean weather ships (controlled by the Ministry of Defence) in the eastern Atlantic co-operate in search and rescue, for which they are well equipped and their crews trained. They maintain a constant listening watch for distress messages.

The Post Office coast radio stations link ships at sea and the land-based rescue services.

Recommendations

Among the committee's recommendations are a number on communications, concerning transmitting equipment at Coastguard auxiliary stations, portable radio sets, beacons, direction-finding, radar, and research The committee is anxious to encourage liaison with search and rescue organisations overseas, and recommends that the Coastguard takes suitable opportunities to visit contacts in the nearer Continental countries and offer reciprocal facilities The committee expresses some concern over the reliance of the rescue services on military facilities which may be removed once the military necessity for them disappears. For example, the helicopter detachment at Manston (Kent) was withdrawn in March 1969. The committee therefore recommends that the Government should consider making funds available for helicopter services where coverage by military aircraft is inadequate.

Education

DEPARTMENT OF EDUCATION AND SCIENCE REPORT

Plans for increased public expenditure on the education service, an expansion of nursery education facilities and progress in the establishment of polytechnics are some of the major educational developments recorded in *Education and Science in 1969* (HMSO, 20s), the annual report of the Department of Education and Science, published on 30th April. The report also gives considerable attention to the launching of a new campaign to get rid of oversize classes in the schools [see 21.11.69 p. 1047], the movement towards comprehensive education [see 27.2.70 p. 226], continuing steps to improve the professional status of teachers [see 21.11.69 p. 1048] and the establishment of the Open University [see 15.8.69 p. 734].

Finance

Public expenditure on education in Great Britain exceeded that on defence for the first time in 1968-69. Including expenditure on local libraries and museums, expenditure was over £2,230 million, more than 6 per cent of the gross national product. Of this, local authorities, with the help of the rate support grant, spent more than 80 per cent.

The Government's plans for educational expenditure in the period up to and including 1971-72 were outlined in the White Paper on public expenditure produced in December 1969 [see 2.1.70 pp. 18-22]. The main influence on educational expenditure in this period, the report explained, would be the increase in pupils and students at all levels of the educational system. Total numbers in schools are expected to increase between 1968-69 and 1971-72 by about 7 per cent—by 6 per cent in primary schools and over 9 per cent in secondary schools. During the same period the numbers of students in further and higher education as a whole are expected to rise by over 10 per cent, while between 1967 and 1971 it is expected that the increase in the proportion of the age group entering full-time and sandwich courses in higher education will be of the order of 11 per cent. To maintain the existing standards of provision while these increases take place, the report comments, it will be necessary for current expenditure on schools to rise by about 8 per cent and that on post-school education by rather more than 10 per cent. The Government's plans announced in the White Paper provide for an increase in educational expenditure from some £2,230 million in 1968-69 to about £2,499 million in 1971-72, and these figures allow for a rise in current expenditure on schools of 11 per cent and on further and higher education of 15 per cent. Some margin of expenditure is, therefore, available for the improvement of standards.

School Numbers

In January 1969 the number of full-time pupils (including the full-time equivalent of part-time pupils) at all schools in England and Wales was 8,418,362—2·6 per cent more than a year earlier and 9·1 per cent more than in 1964.

In the maintained sector alone the increases were 2·8 per cent and 10·4 per cent respectively to a total of 7,864,956. The rise in the maintained school population was accompanied by an increase in the teaching force (including part-time equivalents) from some 316,950 in February 1968 to nearly 330,200 a year later. This brought about an improvement in the pupil-teacher ratio over the same period from 1:23·8 to 1:23·5. A similar improvement was expected by February 1970, when the teaching force would have risen to an estimated 344,430

Following new estimates of birth-rate figures, the future school population is expected to be lower than had previously been thought. By 1980 the schools are expected to have a population of some 10,235,000 which will rise to about 11,650,000 in 1990 (300,000 and 167,000 respectively less than the previously published figures). Substantial increases, however, are expected in the higher age groups, notably at ages 17 and 18, and particularly for girls, because the accelerating trend in voluntary staying-on at school is expected to continue

Nursery Education

A major development in 1969 was the first planned expansion of nursery education in England and Wales since the second world war, resulting from the Government's urban aid programme announced in July 1968 [see 30 8 68 p. 842]. This programme is part of the Government's policy of allocating additional resources to areas in great social need, and the expansion of nursery education was thus designed to make an impact in the areas of greatest deprivation

Approval of projects under the first phase of the urban aid programme were announced in January 1969 and involved a total expenditure of £3 5 million [see 3.1.69 p 47]. The educational share of the programme, some £1 35 million, was devoted entirely to nursery schools and classes in the areas of 23 local education authorities, the areas being selected on the criteria of seriously over-crowded housing, or having a proportion of immigrants in their school population of at least 6 per cent. The second phase of the programme was announced in February 1969 [see 28.2 69 p 233] Originally this involved expenditure of £2 million, but the figure was later raised to £4 5 million Of this, £2 million was devoted to educational projects in the areas of 70 local authorities These included further provision of facilities for nursery education and extended help to deprived areas to include teachers' centres and special facilities for immigrant pupils.

The two phases of the urban aid programme have provided 416 new nursery classes -95 in new nursery schools, 165 in new classrooms attached to primary schools, and 156 in existing classrooms adapted for the purpose Altogether about 10,600 additional full-time nursery places are planned, providing for substantially more than this number of children when allowance is made for part-time attendance

Polytechnics

The report records that in 1969 considerable progress was made towards the Government's aim of establishing 30 polytechnics -comprehensive academic communities catering for full-time, sandwich and part-time students at all levels of higher education, including those below degree level [see 6.6.69 p 521]. Eight polytechnics were established and designated during the year-Hatfield, Sheffield and Sunderland in January; City of Leicester in April; and Bristol, Newcastle upon Tyne, Portsmouth and Wolverhampton in September It was expected that nearly all the remaining polytechnics proposed would be established and designated during 1970.[1]

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[1] The following polytechnics have been designated in 1970 Manchester, North Staffordshire, Kingston, Lanchester, Leeds and Plymouth in January; Brighton, Liverpool, Teesside, Oxford and Glamorgan in April; and Central London and City of London in May The number of polytechnics designated is now 21

The Training of Teachers

About 38,020 non-graduate students entered full-time initial training courses in the colleges of education in 1969, compared with some 38,790 in the previous year. The colleges' intake of graduate students, however, was correspondingly higher, having increased from about 1,420 in 1968 to over 1,900 in 1969. (Students in colleges of education (technical) are not included in the above figures.) With the expansion of student numbers in the colleges no longer the overriding priority it was in the late 1960s, when the annual intake into the colleges more than doubled in five years, the annual intake of non-graduate students is expected to continue at about or slightly below the 1969 level. The total population of the colleges, however, is expected to increase as places are provided for the increasing number of graduates expected to seek professional training and for the growing number of non-graduate students that are expected to follow a four-year course leading to a Bachelor of Education degree. At the end of 1969 the total number of students following courses of all kinds in departments and colleges of education outside universities was some 112,000, about 5,000 more than in 1968 and 1,000 more than the Robbins Committee estimate for 1973 [see 3.11.63 pp. 1047-54]. Including those in university departments of education, the total number of students in initial training courses was over 115,000, compared with 107,860 in 1968.

Increase in Graduates Expected

An increase in the number of graduates following courses of professional training is expected in view of the announcement in September 1969 that a professional training qualification will be required of those graduating after December 1969 who wish to teach in primary schools and of those graduating after December 1973 who wish to teach in secondary schools [see 21.11.69 p. 1048]. To meet this demand, institutes of education were asked at the end of 1969 to review the provision for graduate training in colleges in their areas in the light of the need to secure viable numbers and economic use of resources. In September 1969 only 40 out of the 160 colleges of education admitted graduate students.

STUDENT GRANTS

An increase in the grants provided to undergraduates and students on comparable courses, including teacher training courses, was announced by Mr Edward Short, Secretary of State for Education and Science, on 6th May. The announcement was made after consultations with the Secretary of State for Scotland and the local authority associations. The increases involved are from £290 to £305 a year for students living at home, from £395 to £420 for resident students at London and the universities of Oxford and Cambridge; from £360 to £380 for resident students elsewhere, and from £163 to £170 for resident students at colleges of education. They will come into operation from the 1st September 1970.

The decision to raise the grants means that students will now receive the full amount of the grant increases recommended in February 1968 by the Advisory Panel on Student Maintenance Grants [see 24.5.68 p. 536]. The awards are reviewed every three years to assess the changes necessary for them to maintain their real value. Owing to the limitations that had been placed on public expenditure in January 1968 [see 2.2.68 p. 113], however, the Government limited the increases of September 1968 to only half that necessary to cover the rise in the cost of living since the previous review of 1965.

New Towns

MILTON KEYNES DEVELOPMENT PLAN

The plan for the future development of the new city of Milton Keynes in Buckinghamshire has been submitted to the Minister of Housing and Local Government by the city's development corporation.[1]

Milton Keynes was designated in January 1967 under the New Towns Act 1965, principally to provide housing and employment for people living in congested conditions in the London area: some 150,000 people are expected to move into the new city by the mid-1990s, bringing its total population to 250,000. The Milton Keynes Development Corporation was established in May 1967 to plan the growth of the city, and planning consultants chosen by the corporation prepared an interim report on the city's development plan which was published in February 1969 [see 15.8.69 pp. 719-21].

The plan, which presents detailed proposals for the first ten years of the city's growth, is based on six broad concepts: to provide opportunity and freedom of choice; easy movement and access and good communications, balance and variety; an attractive city; public awareness and participation, and efficient and imaginative use of resources. The conclusions of the interim report have largely been accepted, although some details have been changed in response to comments put forward by private citizens and public bodies.

To distribute the flow of traffic more evenly, the plan proposes better connections both with the national motorway network and with regional transport systems. A site for a centre of higher education has been decided upon and is already being developed. Proposals for the provision of shopping facilities and of open spaces have been amended and land uses to the west of the city have been rearranged to provide a more natural link with the adjoining country-side.

Immediate Development

During the preparation of the Milton Keynes plan, development has been taking place within the designated area. Major projects which are already under-way and have been incorporated into the plan include three housing areas, an industrial centre, a golf course and the site of the Open University [see 15.8.69 pp. 734-5].

Within the first five years of the building of the city, development is due to start on residential and employment areas, district centres, transport systems, a health campus, sites for education, sanitation installations and provisions for rivers, lakes, canals and open spaces. Milton Keynes is to be a new city where old and new areas of settlement will function side by side: the first ten years of construction are expected to be a period of 'striking transition' as the existing towns and several of the villages in the designated area become part of the city. The rural character of the area will gradually be replaced by urban development and the growth rate of the new city will rise to four or five times its present rate, from about 650 to over 3,000 new dwellings a year.

Cost

The capital cost of building Milton Keynes—estimated to be £700 million at today's prices—will be shared by the development corporation, the local and public authorities and the private sector, and will be spread over a period of 25 years.

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[1] *The Plan for Milton Keynes*, Vol. 1 (15s) and Vol. 2 (50s).

Derelict Land

NEW MEASURES FOR RECLAMATION

The setting up of a central group for the clearance of derelict land and a new ten-year reclamation programme were announced on 17th April by the Secretary of State for Local Government and Regional Planning, Mr Anthony Crosland, at a Civic Trust conference on the subject of derelict land Mr Crosland described the measures as a major contribution to European Conservation Year 1970

A Central Group for Land Clearance

Mr Crosland said that, as part of Britain's programme for the clearance of land, the right course was for large local authorities with major derelict land problems to build up specialist units inside their own organisations, as many had already done Nevertheless, there was a need for a central group to take a continuous and comprehensive view of the dereliction problem, to keep progress under review, and to identify obstacles and advise on their removal. Mr Crosland was therefore arranging for the establishment (within the Ministry of Housing and Local Government) of a small central unit for derelict land reclamation It would comprise representatives, both specialist and administrative, of the department's headquarters and regional offices and, if local authorities welcomed the idea, specialist representatives of local areas

A new joint working party from the Ministry of Housing and Local Government and the Ministry of Transport would examine the further use of waste material which might otherwise disfigure the landscape for road building

Ten-Year Programme and Increased Expenditure

Mr Crosland said that the present 15-year programme for dealing with all the derelict land needing treatment should be reduced to ten years in the priority areas the development areas the intermediate areas and the derelict land clearance areas

Local authority expenditure on the reclamation of derelict land in England was about £2 million in the financial year 1969-70, and an estimated £3 million would be spent in 1970 71, Mr Crosland said He wanted to see this spending at least doubled over the next three years and government grants would be available to match this increase Having reached the higher level of expenditure by 1973-74, the authorities should be able to maintain the drive to reclaim derelict land until the end of the decade

British Volunteers Overseas

The British Volunteer Programme, under which young (and some older) men and women volunteer to serve in developing countries, continues to be a valuable source of aid in many fields Under the 1969-70 programme 1,906 volunteers are serving overseas.

All government-supported schemes for sending volunteers to developing countries are co-ordinated through the British Volunteer Programme's organising committee, the Voluntary Societies' Committee for Service Overseas, which works in association with the National Council of Social Service, the latter body providing the secretariat Recruitment is undertaken by four voluntary

societies: Voluntary Service Overseas (VSO); International Voluntary Service (IVS); the United Nations Association (UNA); and the Catholic Institute for International Relations (CIIR). All four societies recruit graduates and professionally-qualified people; only VSO recruits cadets, that is, young school-leavers or ex-apprentices. All four societies are represented on the Voluntary Societies' Committee, as also are the Ministry of Overseas Development, the National Council of Social Service, the British Council of Churches, the Freedom from Hunger Campaign, Oxfam, the Overseas Development Institute, the National Union of Students and the Scottish Union of Students.

The overseas government or organisation to which a volunteer is assigned meets local costs, which consist of board and lodging (or a payment in lieu) and pocket money. The British Government provides 75 per cent of the British costs, which include fares, a grant payable to graduate and other qualified volunteers at the end of their service, an outfit allowance and the costs of administration. The remaining 25 per cent is raised by the voluntary societies with the assistance of voluntary fund-raising organisations and business firms. Financial expenditure on the programme by the British Government in 1968 was £743,000.

Of the 1969-70 volunteers, 1,574 are graduates or otherwise professionally or technically qualified and the remaining 332 are cadets. An increasing number of the graduate and qualified volunteers are continuing their service for a second or a third year—two-fifths of them under the current programme. Over 1,530 volunteers (including cadets) were recruited by VSO, 190 by the UNA (17 of whom are working on projects under the auspices of the UN Development Programme), 108 by IVS and 69 by the CIIR.

The majority of the volunteers (951 qualified and 250 cadets) are engaged in the field of education, 208 in health services, 176 in agriculture, 111 on various technical projects and others in planning, public works and community services.

As for their geographical distribution, 1,108 (including 149 cadets) are working in African countries, 155 of them in Nigeria, 326 (including 48 cadets) in Asian countries; 150 (including 77 cadets) in the Western Pacific, 107 (including 8 cadets) in Latin America, and 183 (36 of them cadets) in the lands and islands of the Commonwealth Caribbean. A total of 1,515 are in Commonwealth countries or dependencies, the remaining 391 in countries outside the Commonwealth.

VSO Annual Report 1968-69

The recently-published report of VSO for the year ended 30th September 1969 stated that 1,065 qualified volunteers and 374 cadets were working in developing countries under its auspices during this period.

The chairman, Viscount Amory, reported that, in addition to those volunteers who were staying on for a second or a third full year, an increasing number were extending their service beyond the end of their programme year, often, in the case of teachers, to see their pupils through to their examinations in December. As a result, VSO volunteers overseas in November 1969 totalled 1,650, the highest number in the organisation's history. Even after the return of those who had extended their service, it was expected that there would be over 1,500 overseas from January to September 1970, an increase of about 80 over the previous year's total.

Lord Amory said that a large developing country might receive volunteers from as many as nine countries and there existed an encouraging degree of co-operation between the field administrators of the various volunteer organisations. He quoted a recent example in Zambia, where, following the successful work of a Dutch team of agriculturalists, nutritionists and nurses formed to undertake a long-term rural development scheme in a backward area, VSO had been asked, with financial backing from Oxfam, to send a similar team to a

neighbouring part of the country. VSO had received the greatest possible assistance from the Dutch volunteers, and the Zambian Government now intended to ask for similar teams of volunteers from other countries so that the whole scheme might become multi-national. The establishment of such close links between field administrators and governments made him wonder 'whether the objectives of a United Nations volunteer corps, at present under discussion, might not more naturally arise from this co-operation in the field without the danger inherent in starting up what could easily prove to be a rather slow-moving body'

The director of VSO, Mr D H Whiting, reported that the projects in which volunteers were engaged were changing As a consequence of the growing number of pupils completing secondary education in developing countries, there was less demand than formerly for British school-leavers to assist in the schools, though VSO was still able to find over 250 projects ready to make use of these assistants Requests for graduate and qualified teachers had become more specific, with special emphasis on teachers of English, mathematics and science subjects There were signs of a move away from the narrowly academic basis of secondary education in many developing countries toward subjects more directly associated with opportunities for employment

An increasing number of nurses were being recruited by VSO to work on child welfare and nutrition projects, the director stated As a result of requests for volunteers to train managers of small co-operatives, VSO had arranged a course for economists, graduates in business studies and other suitably qualified volunteers at the Co-operative College in Britain before they went overseas. If this experiment proved successful it might be possible to place more economists, for whom it had not always been easy to find projects. While the number of volunteers working in agricultural training and research had been maintained, there had been an increase in requests for volunteers to assist young farmers' clubs to interest school pupils in the production of cash crops. Ex-apprentices and others with recognised industrial and craft qualifications continued to make a significant contribution to development in many parts of the world

Overseas Students in Britain

There were 69,819 overseas students on full-time courses in Britain in the year 1968-69, three-fifths of them (some 49,000) coming from countries in the Commonwealth Nearly 16,000 were at universities, 13,800 were at technical colleges, over 16,300 were receiving training in nursing and over 10,800 were undergoing industrial, professional or other practical training.

These figures are given in a revised edition (dated December 1969) of the British Council handbook *Overseas Students in Britain*,[1] published for the London Conference on Overseas Students They do not include considerable numbers of overseas students who attend courses part-time and support themselves by taking paid employment, nor certain full-time overseas students who do not fall within the definition of an overseas student as laid down by the Department of Education and Science for the purpose of fees

More Postgraduate Students

As recently as 1966 the majority of overseas students were studying at or below the level of a first degree Although this is still so at technical colleges,

[1] The British Council, 11 Portland Place, London, W1 4EJ, 3s.

the position at the universities has changed considerably: the number of overseas students taking postgraduate degrees in 1968-69 exceeded those taking first degrees by over 2,000. A major reason for this is that many countries have now developed their own institutions of higher education and no longer need to send students for undergraduate courses except in specialised subjects. Technical and other colleges of further education, however, continue to receive many younger students, particularly from the Middle East and Asia, who need to qualify in the required General Certificate of Education 'O' and 'A' level subjects before proceeding to a degree course at a university.

Assistance with Fees

Many overseas students are given financial assistance from British Government sources. Over 5,000, mainly at higher academic and professional levels, received British Government awards in 1968-69. Nearly 3,000 of the awards were made under schemes for technical assistance, including the Colombo Plan for South-East Asia, the Special Commonwealth African Assistance Plan, Technical Assistance for Countries in Non-Commonwealth Africa, Central Treaty Organisation schemes and a number of other bilateral programmes. Over 1,000 were studying in Britain under schemes for Commonwealth Educational Co-operation (500 Commonwealth scholars and 550 Commonwealth teacher bursars). A further 1,000 were receiving British Council scholarships and bursaries.

In addition, more than 1,100 United Nations Fellows were placed during the year for the whole or part of their fellowship training under arrangements made by the British Council in conjunction with government departments. There are also scholarships and fellowships offered by trusts, learned societies, industrial and professional organisations and private benefactors. The Confederation of British Industry awards a number of scholarships to enable graduate engineers to gain experience with industrial firms.

The great majority of those who come to Britain for practical training (nurses, language assistants, and trainees in industry and the professions) receive payment for their services. Other overseas students receive awards from their own governments. The majority, however, are supported by their families or local communities.

Countries of Origin

Overseas students in Britain in 1968-69 came from a total of 163 countries, 53 of them (including dependencies) in the Commonwealth. The largest numbers came from: France (4,123), Malaysia (3,754), Jamaica (3,346), Nigeria (3,015), India (2,871), United States (2,623), Mauritius (2,311), Hong Kong (2,263), Trinidad and Tobago (2,088), the Federal Republic of Germany (2,062), Pakistan (2,031), Ceylon (1,912), Kenya (1,727), Ghana (1,414), Guyana (1,227) and Barbados (1,204).

Distribution in Britain

The majority of the overseas students (almost 40,000) were in London, and the remainder were distributed in the major centres of the United Kingdom. Over 4,000 were in Southampton and there were considerable numbers also in Manchester (2,828), Oxford (2,677), Birmingham (2,518), Cambridge (2,243) and Leeds (2,225). There were 3,776 in Scotland and 1,423 in Wales.

The British Council Handbook

The British Council has a responsibility on behalf of the Government for providing a range of services designed to assist overseas students in Britain

ıis work entails close liaison with the institutions where the students are udying, with voluntary bodies and with High Commissions and Embassies. ıe handbook is directed to those who are professionally concerned with the ell-being of overseas students in Britain, and besides statistics it includes formation on such subjects as the formalities for entry into Britain, health quirements, arrangements for meeting on arrival, accommodation, introduction ıurses, sources of financial assistance, religious centres, reference books ıd documents, organisations concerned with the welfare of overseas students, nbassies and High Commissions and other offices of overseas governments in ındon, and offices of the British Council in the United Kingdom.

Government and Administration

CSD Report 1969: First Report of the Civil Service Department (see pp 485-7)	HMSO 7s 6d
Code of Practice for the Use of Management Consultants by Government Departments. Civil Service Department	HMSO, 3s
Civil Service Commission Annual report, 1969	Civil Service Department 23 Savile Row London W1X 2AA free
Geography. Fact Sheet on Britain	COI, R 4738 [illegible]

External Affairs and Defence

Guyana Republic Bill Second reading (see 13.3.70 pp 269-70).	*Hansard*, 27.4.70 cols 971-82
Republic of The Gambia Bill Second reading in House of Lords.	*Hansard* HL 7.5.70 col 397-400
Indo-China: Extension of War Adjournment debate on latest developments in Cambodia and Vietnam	*Hansard* 5.5.70 cols 208-70
International Briefing First issue, with the sub-title 'Labour and the World 1964-70', of a quarterly review of international affairs by the Labour Party	Labour Party Smith Square London SW1 4s
Britain and the Process of Decolonisation	COI RF P 5868 [illegible]
Berlin and the Problem of German Reunification	COI RF P 5869 [illegible]

Economic and Scientific Affairs

Lesotho. British Aid Details of financial aid issued to Lesotho from independence up to 31st March 1970 and of the offer of further budgetary and development aid for the next three years (at present in suspense)	*Hansard* (HL), 28.4.70 written answers col 1030
East and Central Africa, Botswana and Swaziland Trade The Parliamentary Secretary, Board of Trade, Mrs Dunwoody, stated that British trade has been increasing satisfactorily. Exports to east and central Africa rose from £72 million in 1964 to £134 million in 1969. Twenty-five of the staff in the diplomatic posts in these countries are exclusively concerned with promoting trade.	*Hansard*, 29.4.70 cols 1245-6

Norway Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital	Cmnd. 4308 HMSO, 4s
Agriculture in Scotland Report for 1969 by the Department of Agriculture and Fisheries for Scotland	Cmnd 4302 HMSO, 9s 6d
Central Council for Agricultural and Horticultural Co-operation (CCAHC) Third annual report, for year ended 31st March 1970	CCAHC, Hancock House, Vincent Square, London SW1
Process Industries Investment Forecasts Fourth report by the Process Plant Working Party of the National Economic Development Office (NEDO)	NEDO, Millbank Tower, Millbank, London SW1
Shipbuilding Industry Fact Sheet on British Industry	COI, R 5776 2

Social and Cultural Affairs

Vasectomy and Family Planning The Secretary of State for Social Services announced that vasectomy (male sterilisation) could now be performed free under the National Health Service when it was considered to be in the interests of the health of either husband or wife Hitherto the operation has only been available under the National Health Service when it was in the medical interest of the man concerned	*Hansard*, 30 4 70 written answers col 394
Hare Coursing Bill Second reading of a Government Bill to make the competitive hunting of hares with dogs illegal in Great Britain	*Hansard*, 14 5 70 cols 1524-98
Education and Science in 1969 Report of the Department of Education and Science (see pp 511-13)	HMSO, 20s
Education Statistics for the United Kingdom 1967	HMSO, 25s
Public Schools Commission Second Report Vol 2 Appendices	HMSO, 30s
Report of an Inquiry into the Pattern and Organisation of the College Year Committee on the More Effective Use of Technical College Resources	HMSO, 3s 6d
Creative Music in Schools Reports on Education, No 63	DES, free
Inside Comprehensive Schools by Tyrell Burgess Department of Education and Science	HMSO, 6s
Supplementary Benefits Handbook A guide to the supplementary benefits scheme	HMSO, 6s 6d
Confidential Inquiry into Post-neonatal Deaths 1964-66. Department of Health and Social Security Reports on Public Health and Medical Subjects No 125 The results of a survey undertaken to attempt to identify the reasons for the slow improvement in the death rate of infants between the ages of one month and one year	HMSO, 6s 6d
Planning for Sport. The Government has suggested that local planning authorities in England and Wales should maintain close contacts with the Sports Councils when	HMSO, 9d

considering development proposals affecting sport and physical recreation. Joint circular of the Ministry of Housing and Local Government (circular 33/70) and the Welsh Office (circular 35/70).	
Royal Fine Art Commission for Scotland. Report for the period 1967-69.	HMSO, 4s
Mourne Area of Northern Ireland. A study of the environment of the Mourne area has been made by the Northern Ireland Ministry of Development and is to assist the Government's preparation of development proposals for the area.	Press release, Government of Northern Ireland, 1.5.70

HMSO Publications

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GOVERNMENT AND ADMINISTRATION

Law and Order

REPORT ON ASSIZES AND QUARTER SESSIONS

The Government's acceptance of the recommendation in the report of the Beeching Commission [see 7.11.69 pp. 986-90] that the multiplicity of authorities at present responsible for the administration of the higher courts should be replaced by a single authority (the Lord Chancellor) who would be answerable to Parliament for delays or any other defects in the system was announced by the Attorney-General in a speech on the report in the House of Commons on 7th May (*Hansard*, cols. 602-95). In the same speech the Attorney-General enumerated the steps already taken by the Government, within the existing system, "to deal with the tremendous increase in the work of the courts during the last five or six years", and briefly summarised its future intentions in regard to some of the other proposals in the report. Among the points mentioned were the following:

Courts. Twelve new courts at the Royal Courts of Justice were opened in 1968. Additional courts have also been opened at the Old Bailey (where the Central Criminal Court sits), the Inner London Sessions, and elsewhere. New county courts have also been opened.

Judges. Since 1965 the number of High Court judges has been increased from 56 to 66, the number of county court judges from 79 to 104, the number of full time judges at the Central Criminal Court from nine to 13, and the number of judges sitting on a full time basis at quarter sessions from 18 to 28. The Lord Chancellor would not hesitate to recommend additional appointments, if necessary, but the present system and the lack of court accommodation limited the extent to which this could usefully be done.

On the commission's suggestion that solicitors should be eligible for appointment to the circuit bench or as recorders [see 7.11.69 p. 989] the Government had not yet reached any conclusion. On the proposal that where lay magistrates sat in support of a circuit judge they should do so only as assessors, it had been decided that this was "misconceived": not only were lay justices selected most carefully for the work that they had to perform, but they received compulsory training and instruction in their duties before they could adjudicate, and subsequently underwent further instruction, which included periodical exercises in sentencing, and it was considered that they "can play a most useful part as full members of the court."

Accommodation. After the necessary legislation had been passed (a major Bill was in preparation) responsibility for accommodation for higher courts, for offices and for judges' lodgings would pass to the Minister of Public Building and Works, who would work in close co-operation with the Lord Chancellor in this matter. Accommodation at present used exclusively by the higher courts would be transferred with outstanding liabilities, but without compensation; other accommodation would be acquired on payment for those parts not at

present used by the higher courts and account would be taken of the accomodation needs of magistrates. Where transfer would not be appropriate because the use of the buildings was shared with others, it was envisaged that the central Government would be given free right of continued use on payment of the appropriate running costs, but free of rent.

To empower the Ministry of Public Building and Works to take action in advance of legislation both to let contracts for essential temporary accommodation and to design, plan and acquire land for new long-term projects, a summer supplementary estimate would be introduced, which would be covered in the Appropriation Act.[1]

Presiding Judges. Although the 'burden of management' in each circuit would be carried by the circuit administrators[2] [see 7.11.69 p 988] the presiding judges [see 7.11.69 p 989] would have particular responsibility for all matters affecting the judiciary serving there. Their most important functions would be planning the itineraries of the members of the judiciary throughout their circuit, and inviting individual circuit judges to give assistance to the High Court Bench

Middle-Band Offences The Beeching Commission's proposals for dealing with 'middle-band' offences [see 7.11.69 p 987] were in line with the general pattern now in force at the Central Criminal Court The practice whereby the allocation of any such case would be made by the officer responsible for listing cases who would be required, before making his decision, either to consult a High Court Judge or to act in accordance with general directions from such a judge would it was hoped, 'provide the flexibility which is so badly needed if the present serious backlog of cases is to be reduced, while preserving complete judicial control over the arrangements for the trial of cases

[1] An annual Act which votes and later confirms the Estimates.

[2] The Lord Chancellor has announced (12th May) the appointment of six circuit administrators to be responsible for the organisation and administration of the business of the higher courts in the newly defined circuits: south-eastern, including Greater London; western, midland; Welsh, north-eastern, and northern.

EXTERNAL AFFAIRS AND DEFENCE

Central Treaty Organisation

MINISTERIAL COUNCIL

Representative Ministers of the Central Treaty Organisation (CENTO) member countries—Turkey, Iran, Pakistan, Britain and the associate member, the United States—met in Washington on 14th-15th May for the seventeenth session of the Council of Ministers. The CENTO countries with the exception of Pakistan, whose delegation was headed by their Ambassador to the United States, were represented by their Foreign Ministers. Mr Michael Stewart, Secretary of State for Foreign and Commonwealth Affairs, led the British delegation to the meeting; during his stay in Washington he also met President Nixon and the United States Secretary of State, Mr William Rogers, for talks on a number of international questions, including the situations in the Middle East and South-East Asia, and on the improvement of East-West relations.

Apart from the celebration of the fifteenth anniversary on 24th February, the organisation's activities during 1970 have included a meeting of the Economic Committee in London on 10th-11th March and a meeting of the Military Committee, in Tehran, 7th-8th April, which reviewed the status of military planning in defence of the CENTO region and considered the programme of combined military exercises held during 1969 and those planned for 1970.

Opening Speeches

Welcoming the delegations to the opening session the Secretary-General, Mr Turgut Menemencioglu, pointed out that the meeting marked 15 years in the existence of CENTO. "During this period, CENTO has made an invaluable contribution to world peace by enhancing collective security and mutual assistance as well as by maintaining political stability and economic progress within its own frontiers, which cover a vitally important area. This has been accomplished in the first place through the patriotism of the peoples of the regional countries and their determination to defend at all costs their integrity and independence. Through their co-operation with CENTO, the two Western partners of the organisation, the United Kingdom and the United States, have brought their support to the common cause of stability and security in this area." CENTO had proved "a most valuable forum helping to maintain mutual understanding through the exchange of ideas on questions of common interest. It has provided new opportunities for regional co-operation, not only in its primary objectives of peace and security, but also, and to an ever larger extent, in communications, agriculture, industry, science and medicine, and various other fields of work aiming at the economic and social advancement of the region."

Mr Stewart, also speaking at the opening session, said that CENTO's basic aim could be described in the one word—freedom, ". . . freedom for all the peoples of the region themselves to develop in their own way, their own institutions, their own habits of thought and the economic strength and improved standards of literacy and living which together will persuade them that what

they have is worth defending'. 'CENTO', Mr. Stewart said, 'like other such alliances within the non-Communist world, is not an obstacle to *détente* or to better understanding between peoples On the contrary, CENTO and other organisations like it provide firm bases from which to exploit mankind's yearning for peace and prosperity and a better life. . . . We must make sure that CENTO continues to contribute in the most appropriate way to the stability and prosperity of a vital region of the world.'

In a message to the council President Nixon spoke of 'a welcome occasion to reaffirm United States support for CENTO Much has changed during the 15 years of CENTO's existence. But one element has endured throughout the period -our mutual friendship and mutual respect We have all learned that security is not attained by military means alone It also depends on the well-being of our peoples. The strides that have been made within the countries of the CENTO region to promote that well-being have been especially impressive, as is the increasing co-operation among these countries within CENTO and outside it.'

Communiqué

The final communiqué issued after the meeting stated that the council had examined the international situation, paying particular attention to the Middle East situation. 'Statements were also made regarding South-East Asia and the Persian Gulf, the Cyprus problem, and the disputes concerning Kashmir Farakkha[1] and the Shatt-al-Arab

'The council reiterated their determination to continue to work for peace and security in the area and to promote further social and economic development in the CENTO region'. The report of the Military Committee was approved, and the council noted the progress made in various fields of military co-operation On economic co-operation the council reaffirmed its agreement that the economic programme constituted an important element of the CENTO partnership The council noted the high rate of economic growth achieved by the regional countries, and expressed its appreciation of the developing economic co-operation between them and of 'the favourable effects of this development for progress and stability in the region The council, bearing in mind the important contributions made by CENTO to the strengthening of the economic links between the regional countries, endorsed the recommendation of the Economic Committee to consider for support regional export-orientated industrial projects which meet the aid criteria of the non-regional governments

The council approved the Economic Committee's report, and noted with satisfaction that the programme of scientific co-operation had been enlarged 'Reviewing the work of the Multilateral Technical Co-operation Fund the council took note that the projects implemented by the fund had reached an impressive number' Noting that the fund's objective of increasing the technical self-sufficiency of the regional countries was being well-served the council had decided to expand the fund

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development, health improvement, scientific co-operation and technical assistance—is regarded as a central objective of the organisation. The organisation has now also established an Industrial Development wing within its secretariat in an effort to expand the organisation's role in this area. The sum total of often small projects has formed an impressive example of co-operative action to foster regional development: at the 1969 Ministerial Council meeting [see 20.6.69 pp. 547-8] the Secretary-General pointed out that the three countries had attained "the highest rate of economic development in the entire area around them".

Within the programme communications projects, for example, include a railway development linking the Turkish and Iranian systems, due for completion in 1971, the improvement of road links between the three countries, the improvement of the port of Iskenderun (with which the new road and rail projects link) on the Turkish Mediterranean coast, and the improvement of telecommunications links and aircraft navigation equipment within the region. During the past year the organisation has held a number of meetings concerned with progress in such areas as agriculture (a preliminary agro-industries survey and a policy conference on livestock development), health (family planning), scientific co-operation (a programme of joint research projects emphasising the application of science to agriculture), minerals development (to examine the possibility of a co-operative effort to exploit phosphate deposits), and technical assistance.

In the latter area the organisation's Multilateral Technical Co-operation Fund, to which all five countries contribute, provides finance for the interchange of expertise within the region. Increasing use is being made of the fund, and during 1969 over 30 projects involving more than 250 people were authorised. Under the organisation's Study Fellowship scheme over 1,000 regional country trainees have now attended various courses in Britain.

Britain contributes some £1 million per annum to the organisation's development projects in science, communications, agriculture and health. In general British aid to the three regional countries has been very substantial over the past 15 years: financial aid to Pakistan since 1954 has totalled £105 million (see [illegible] pp. 26-8) while in 1968 (calendar year rates figures) gross financial aid totalled £9.5 million. In 1968 British loans and technical assistance grants to Turkey totalled £8.[illegible] million (for fuller details see 30.1.70 pp. 120-1) while the equivalent figure for Iran was £[illegible] million.

Arms Control and Disarmament

Negotiations in the present session of the Conference of the Committee on Disarmament (CCD) in Geneva, which opened on 17th February, have concentrated on the possibilities of arms control agreements for chemical and biological weapons and for the sea bed.

STRATEGIC ARMS LIMITATION TALKS

Meanwhile, substantive strategic arms limitation talks (SALT) between the Soviet Union and the United States opened in Vienna on 16th April, there has, as yet, been no official report on their content or progress. However, in his foreign policy report to Congress (*United States Foreign Policy for the 1970s. A New Strategy for Peace*, 18th February 1970), President Nixon described in detail the United States process of preparation for the talks [a preliminary round of which took place from 17th November to 22nd December 1969, see 19.12.69

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p. 1094] to determine the procedure most likely to yield useful discussions. The administration had rejected the procedure of preparing a full negotiating position, with specific proposals, before the talks. Instead, the administration had examined and compared preliminary models of possible strategic arms limitation agreements, which were further examined in the light of verification possibilities. The analysis of the capability to verify individual weapons systems had provided ' building blocks ' to analyse various combinations of limitations, these ' building blocks ' could, President Nixon indicated, be grouped in three general categories. First, limitations of numbers of missiles. ' A ceiling would be placed on numbers of missiles without an attempt to restrict qualitative improvements like MIRV (multiple independently targeted re-entry vehicles). In general, these objectives would stop the growth of some or all strategic missile forces. They would not change the qualitative race.' Second, limitations on numbers and capabilities of missiles. 'These objectives would not only limit the numbers of missiles but also their capabilities including qualitative controls over such weapons as " MIRVs." The hard issues were centred around verification since the determination of quality requires a more intensive inspection than quantity.' And third, to reduce offensive forces. 'This approach would attempt to reduce the number of offensive forces without qualitative restrictions, on the theory that when at fixed and lower levels of armaments the risks of technological surprise would be reduced. Each of these objectives had been analysed in relation to various levels of strategic defensive missile (anti-ballistic missiles).

This process President Nixon described as having established a comprehensive inventory of the possibilities of a wide range of limitations and would ' greatly enhance our flexibility in the forthcoming negotiations. This procedure had several advantages. ' We were not tied to a single position; instead we had building blocks for several different positions depending on our decisions and what might prove negotiable. Opening talks with the Soviet Union could concentrate on the principles and objectives underlying any type of strategic arms agreement.' He indicated that, in the preliminary talks the Soviet representatives had welcomed this approach, that the two delegations had been able ' to develop an agreed work programme for further discussions [i.e. for the present talks].

President Nixon pointed out in the same document that the negotiations ' involved fundamental security issues for our NATO allies, as well as Japan. We have fully consulted them, engaging their views and expertise at every stage of the process. In July, we discussed in great detail the relationship of SALT to the overall strategic balance with our allies and we presented the various options as we saw them then. In early November, we consulted in greater detail on our approach to the first phase of SALT. We intend to continue to work closely with our allies as the negotiations continue. We consider our security inseparable from theirs.' Full consultation has continued between the United States and the other members of NATO.

CONFERENCE OF THE COMMITTEE ON DISARMAMENT

On the question of an agreement to prevent the emplacement of weapons of mass destruction on the sea bed [see 19.12.69 p. 1096], the co-chairmen of the CCD—the United States and the Soviet Union—on 23rd April submitted a revised draft treaty, which incorporated further suggestions made in the conference and in the United Nations General Assembly. The terms of the treaty revised relate mainly to the question of verification, to the definition of the coastal area to be excluded from the prohibitions, to the relationship of

the treaty to agreements on nuclear-free zones [see 19.12.69 p. 1093], and to the relationship of the treaty obligations to existing international obligations. Lord Chalfont, Minister of State at the Foreign and Commonwealth Office with responsibility for disarmament, welcomed the draft (on 30th April, in the CCD), although he indicated that there remained aspects for further discussion.

CHEMICAL AND BIOLOGICAL WARFARE (CBW)

A report prepared by the World Health Organisation on the health effects of CBW (published 20th January and complementing the United Nation's Secretary-General's report on 1st July 1969 see 1.8.69 p. 645) makes a number of conclusions about the effects of chemical and biological weapons. The report considered that the indiscriminate nature of these weapons poses a special threat to civilians, even the limited use of some agents could cause illness to a degree which would overwhelm existing health resources. Large-scale use could also cause lasting changes to the environment, their effects are also subject to a high degree of uncertainty and unpredictability. And although advanced weapons systems would be required for their employment on a militarily significant scale against large civilian targets, with some of the agents involved isolated attacks not requiring sophisticated systems could be effective in certain circumstances against such targets. The report also indicated that biological weapons are the more dangerous. Of the known chemical warfare agents only nerve gases and possibly Botulin toxin have a casualty producing potential comparable to that of biological agents.

On the 14th February the United States Government announced that it had extended its unilateral renunciations on the production and use of biological weapons (see 19.12.69 p. 1098) to cover toxins (the dead, but poisonous products of micro-organisms which can be used as chemical weapons). Speaking of such unilateral renunciations the United States representative of the CCD, Mr Leonard, on 18th March urged that they be converted into a binding international commitment by negotiating a convention along the lines of the draft tabled by the United Kingdom (see 1.8.69 p. 650). Lord Chalfont has indicated that Britain is prepared to amend the draft to clarify the fact that the convention would also prohibit the production, acquisition and use of toxins, and the British approach to the problem of CBW has been supported by a number of the members of the CCD including Canada, the Netherlands and Italy. Other members of the conference have supported the alternative approach embodied in the Soviet draft convention on the prohibition of the development, production and stockpiling of both chemical and biological weapons (see 19.12.69 p. 1096), although several representatives have pointed out that this draft fails to provide effective safeguards for ensuring compliance with its obligations. Discussion of the question of CBW has centred around these alternative approaches, and in a speech to the CCD on 7th April Lord Chalfont explained the British case for an immediate agreement to prohibit biological methods of warfare, as a preliminary step towards a complete ban on both types of weapons.[1]

[1] In a speech to the committee on 10th February Lord Chalfont discussed the British Government's [illegible] question of the scope of the Geneva Protocol as regards the use of tear gas in war. He referred [illegible] reply by Mr Stewart, Secretary of State for Foreign and Commonwealth Affairs [2nd [illegible], *Hansard*, written answers, cols [illegible]] in which he had reaffirmed the British Government's [illegible] as stated in 1930 that "tear gases and shells producing poisonous fumes are ... prohibited under the Protocol." Mr Stewart had gone on to say that modern technology had produced CS smoke which, unlike the tear gases available in the 1930s, is not considered to be significantly harmful to man in other than wholly exceptional circumstances. Accordingly, the British Government regarded CS and other such gases as outside the scope of the Geneva Protocol.

Lord Chalfont pointed out that the use of substances such as CS in war would provide opportunities to save lives and not to kill. "It would be shortsighted in our view ... to deny armed forces the use in [illegible] of perhaps the only non-lethal weapon in their armoury and thus oblige the use in certain circumstances of more drastic measures."

Lord Chalfont's Speech

Lord Chalfont first made reference to some recent statements renouncing the use of biological weapons, including the United States decision. 'Such a step would of course be a considerable measure of arms control for any state. For the United States it is a measure of real disarmament involving the destruction of existing stocks and stock piles. It has been said that biological weapons are not suitable for use in retaliation, and that they have no use on the battlefield This might be true at present but it is far from saying that they are not effective weapons at all. They have already been developed to operational level and anyone who is familiar with the considerable scale of work on biological weapons which was formerly carried out in the United States can have no doubt that President Nixon's decision represents a real measure of unilateral disarmament and one which I hope we will soon be able to embody in an effective international agreement.' On 24th March the Canadian Government had reiterated its position that, 'Canada never has had, and does not now possess any biological weapons (or toxins) and does not intend to develop, produce, acquire, stockpile or use such weapons at any time in the future' In this context Lord Chalfont repeated the British position on biological warfare 'We have never had any biological weapons, we have none now, and we have no intention of acquiring any. Similarly, our research in the field of biological warfare has always been confined to defensive measures We very much hope that other countries will join with us in banishing these weapons for ever as proposed by our draft biological warfare convention'

In parentheses, Lord Chalfont pointed out that the British draft convention specifically prohibited the 'use' of, as well as prohibiting the production and acquisition of and providing for the destruction of stocks of, biological warfare agents. This inclusion of 'use' had been a deliberate means of trying to strengthen the controls on these weapons contained in the Geneva Protocol 'By contrast, the draft convention presented by the Soviet Union and their allies only refers to the question of "use" in its preamble, and there only by "Reorganising the important significance of the Geneva Protocol ' and reaffirming adherence to its purposes and principles In our view this inevitably leaves open the question of whether the draft of the Soviet Union and its allies preserves the right of retaliation, which in the case of biological weapons, our draft specifically removes'

Returning to the question of unilateral renunciations, he considered that these were useful but they could not be regarded as a satisfactory substitute for a multilateral convention binding all signatory states in a proper international agreement.

The Problem of Verification

Two principal aspects had emerged in the discussions on chemical and biological weapons, Lord Chalfont said the characteristics of the weapons and the problem of verifying an agreement He first discussed the question of the characteristics of these weapons. There were points of similarity between the weapons of mass destruction atomic, biological and chemical but it was essential to understand the differences between the three categories 'Perhaps the most significant is that biological and chemical weapons, unlike atomic weapons, do not destroy the equipment and weapons of the other side Their only target is the living body. Their only use is to maim, to infect, to poison and to kill. Moreover, by their ability to breed in the human body, biological weapons, unlike atomic and chemical weapons, contain their own threat of retaliation—they might spread to the armies and populations of the power that used them, without the active intervention of the people against whom they were used. This is indeed a reflection of one of the most frightening aspects of biological weapons and of the most serious difference between them and any

other weapon Unlike atomic and chemical weapons, they have never been used and their effects are unpredictable and probably wholly uncontrollable. Atomic and chemical weapons on the other hand can be more specifically used and to some extent controlled . . . unlike biological weapons, atomic and chemical weapons can be used tactically and chemical weapons are less likely than either atomic or biological weapons to affect large civilian populations far removed from the scene of their use ' The three weapons of mass destruction so far developed were thus different, and it was, in Lord Chalfont's view, 'as misleading to lump chemical and biological weapons together as it would be to regard nuclear warfare and germ warfare as the same problem, capable of being dealt with by one comprehensive agreement '

He then turned to the question of verification There had been some progress in defining technical problems of verification in the chemical warfare field. But, it seemed clear that an adequate verification system in the chemical warfare field remained problematical 'The fact is that a chemical warfare potential is within the easy reach of a great majority of states. Any nation with well established chemical and pharmaceutical industries could easily acquire a chemical warfare capability, in all probability without detection We must, therefore, evolve verification procedures that can be adopted globally, and which take account of both technical and political difficulties '[1]

The type of verification problem had been indicated by a suggestion by the Swedish representative that it might be necessary to differentiate between certain chemical agents which could be unconditionally prohibited and verified as effectively as possible, while other chemical agents would have been conditionally prohibited subject to an obligatory reporting procedure, with the consequent possibility of several separate treaties Lord Chalfont said that his preliminary view of this suggestion was that with several separate treaties in the field of chemical warfare, the problems of verification would become even more complicated than they are now The same difficulty would not exist with separate treaties for biological and chemical weapons The United Kingdom draft on biological warfare deals with a complete category of weapons in a coherent and consistent manner Lord Chalfont reminded the conference of a further aspect of verification that arms control and disarmament were not simply technical questions but also political The question of security must be considered, 'in a world of independent nation states, of military alliances and weapons of appalling destructive power The object of an arms control measure is to increase security or at any rate to ensure that it is not diminished. And if we try to ban chemical weapons without an effective verification system the risk to security may be great too great for many countries to accept In the first place the threat of retaliation in kind is still the most potent force against the use of chemical weapons, this is not the case with biological weapons which contain their own threat to their user Secondly, there would be very significant military disadvantages to a state that had renounced chemical weapons but which could not be sure that its adversary too no longer had them ' Chemical warfare, unlike biological warfare, had a substantial history of actual use. Large and comprehensive armouries already existed for this form of warfare. While it was possible to doubt the military value of chemical weapons in specific situations, the implications of a situation in which one side had chemical weapons and the other did not were very real. In these circumstances it must be recognised

[1] For example, the United States representative, Mr. Leonard, has indicated in the CCD that it was not adequate ' to prohibit the development, production and stock piling of ' chemical weapons ' without defining those terms The term ' chemical weapons ' did not have a self-evident meaning and raised several questions, such as whether the production of chemical agents or their intermediates would be permitted as long as they were not weaponised The United States delegation has presented a working paper to the CCD on the complex relationship between chemical weapons and chemical production for peaceful purposes —the paper demonstrates that the capacity for producing chemical weapons grows out of the commercial chemical industry Mr. Leonard also indicated that while US studies of monitoring and inspection techniques for a ban on chemical weapons were encouraging, a ' ban on the production and possession of chemical weapons clearly could not be verified by national means alone '.

that no responsible government was likely, in the present world political climate, to take what it would consider to be unjustifiable risks with the safety of its people and the effectiveness of its military forces. 'We shall therefore need adequate verification of an agreement to ban the production and stock piling of chemical weapons. For this reason I must say that so long as some countries remain resolutely opposed to effective verification systems, an early agreement covering biological and chemical weapons together is unlikely.'

A Ban on Biological Weapons

Therefore, while every effort should be made to control both types of weapons, if it was not possible to agree immediately on a treaty covering chemical weapons, 'an agreement to eliminate disease as an instrument of war would be no mean achievement'. Quite apart from its value in building a climate of greater confidence in the arms control field, the possibility could not be ignored that there might be some sudden scientific break-through applicable to the technology of biological warfare perhaps destroying the possibility of eliminating such weapons. He reminded the conference of the 'uniquely appalling effects of biological weapons', referring to a section of the World Health Organisation's report which had dealt with the use of anthrax as a biological agent, where '. . . we are being told that if anthrax spores were used in heavy concentrations against civilian populations (and this is well within the capacity of the military scientists) millions of men, women and children, would die an agonising and revolting death. Surely no one can seriously suggest that this is not a weapon of an appallingly different kind from any other that man has yet imagined for his own destruction . . .' The chance to eliminate this weapon should not be squandered because of a procedural wrangle about whether the two types of weapons should be dealt with together, accepting nothing less, or whether the procedure should be to find an agreement on the urgent problem of biological weapons while doing everything possible to further progress towards an agreement on chemical weapons.

In advocating a separate treatment of the prohibition of chemical and biological weapons, Britain was not, Lord Chalfont pointed out, proposing or intending a postponement of the prohibition of chemical warfare. Article 5 of the British draft convention clearly envisaged further measures to deal with chemical warfare. The procedure should be to identify the problems and then to agree on solutions for those which are immediately amenable to solution. 'As we see it, these are more likely to be the problems of biological weapons than of chemical weapons. But far from providing an excuse for not tackling chemical weapons the solution of the biological warfare problem will help us in our approach to the less immediately tractable problems of chemical weapons.'

The Conflict in Indo-China

From 1968 to 1970 a number of major steps towards reducing the conflict in Vietnam were taken by the United States, in an attempt to reach a settlement which would bring peace to all the countries of Indo-China (see 17.1.69 p. [illegible] and 19.12.69 p. 1098). These included halting the bombing of North Vietnam, enlarging the talks in Paris to include the South Vietnamese and the 'National Liberation Front' of South Vietnam and introducing a programme of phased withdrawal of American troops in South Vietnam.

The Communist parties in the conflict showed little sign of responding to these advances: the negotiations remained deadlocked, infiltration from North Vietnam into the South continued and the activities of North Vietnamese forces and Vietcong in the neighbouring countries of Laos and Cambodia increased

In Laos, the pro-Communist Pathet Lao received strong support from the North Vietnamese for their operations against the Government, while the eastern part of the country provided a major route, the Ho Chi Minh Trail, for infiltration of supplies and men to South Vietnam. In Cambodia, where the Communists were making extensive use of border territory for infiltration, supply depots, bases and sanctuary, the situation deteriorated into open conflict after the fall of the Head of State, Prince Sihanouk, on 18th March. South Vietnamese and American troops entered Cambodia in April-May. A Communist 'summit conference of the Indo-Chinese peoples' opened up further possibilities of co-operation between the Indo-Chinese Communist movements and of deeper involvement of Hanoi and the Vietcong in the three non-Communist countries, and Peking warmly encouraged the establishment of a 'united Indo-Chinese front'. A number of international proposals were made for consultations between the members of the 1954 and 1962 Geneva Conferences in an effort to reach a settlement and a meeting of Asian countries was convened in Djakarta in May to discuss the crisis.

In a broadcast on 3rd June President Nixon said that the incursion into Cambodia had been the most successful operation of the Vietnam war. As a consequence, 50,000 of the 150,000 U.S. troops being withdrawn from South Vietnam would be brought home by 15th October.

CAMBODIA

North Vietnamese and Vietcong in Cambodia

During his years of office as Head of State in Cambodia, Prince Sihanouk made unremitting efforts to obtain from other countries statements of recognition and respect for Cambodia's frontiers, neutrality and territorial integrity (see 16 268 p. 149). By the end of 1969, 52 countries had complied. Despite their professions, however, the North Vietnamese and the Vietcong, both of whom had embassies in Phnom Penh (the latter under the title of the 'Provisional Revolutionary Government' (PRG) of South Vietnam), continued to exploit Cambodian territory for their own purposes. The eastern border area was used for supply routes to bring men and equipment into South Vietnam and its thickly forested land provided bases and sanctuaries for Vietcong and North Vietnamese engaged in operations in the South. Large quantities of arms are reported to have been imported for the Vietnamese Communist forces in the South through the port of Sihanoukville (now renamed Kompong Som). Prince Sihanouk made frequent protests over incursions into Cambodia by South Vietnamese and American troops in pursuit of the Communist guerrillas and over the bombing raids which inadvertently struck Cambodian territory, but for some time the Communist infiltration, which tended to be carried on unobtrusively in the remoter regions, was ignored by the Cambodian Government. In March 1969, however, Prince Sihanouk publicly admitted that the Communists had established base camps in his territory. The Cambodian Government made complaints over the increasing numbers of Vietnamese Communist forces in Cambodia, reported to be some 40,000 by October 1969. On 11th March 1970 demonstrations against the infiltration were held in Phnom Penh and the embassies of North Vietnam and the PRG were sacked.

Prince Sihanouk, who was in Paris, wrote to the Queen Mother to deplore the extreme action of the demonstrators, but at the same time expressed sympathy for their anger. He said that, on his visit to Moscow and Peking, he would warn the Communist powers that meddling in the affairs of Cambodia could drive it into the opposite camp and he would try to persuade them to respect Cambodia's frontiers and its neutrality. The Cambodian Government issued an ultimatum on 13th March, demanding that Hanoi and the PRG should withdraw

their forces by 15th March. Talks were held with their representatives but proved ineffective, the Communists demanding compensation for the damage done to their embassies and ignoring the requests for withdrawal.

Deposition of Prince Sihanouk

On 18th March, while Prince Sihanouk was in Moscow, the Cambodian Government announced that he had been deposed as Head of State. Led by General Lon Nol, the Prime Minister, and Prince Sirik Matak, his deputy, the Government put out a communiqué announcing that a 'withdrawal of confidence' in the Prince had been unanimously approved by the National Assembly and the Council of the Kingdom. Mr Cheng Heng, Chairman of the National Assembly, was to take over office as Head of State until elections could be held. The rest of the Government remained unchanged, although four Cabinet Ministers were later replaced.

Prince Sihanouk, who on 19th March had arrived in Peking, made a three-part statement on 20th-21st March. He said that his deposition was illegal and refuted the charges against him, including that of accumulating great personal wealth. He said that he had 'absolutely no intention of seeking to resume the power which, in fact, I have lost, or of retaining the now absurd title of Head of State of Cambodia', he would give up the supreme position when the people were 'liberated from the oppression by the *bourgeoisie* and the treacherous princes and by their American masters'. It would then become possible to establish 'a regime truly rooted in the people, that is to say the mass of peasant workers, other working people and young intellectuals'. In conclusion he declared it was his duty to participate in 'the sacred struggle our people will wage from inside and outside the country to obliterate this *coup d'etat*.

In a broadcast put out by Peking Radio on 23rd March, Prince Sihanouk announced his programme for the future. A new 'Government of National Unity' was to be formed, a 'national liberation army' and a 'national united front of Kampuchea'. On 27th March demonstrations in support of Prince Sihanouk were reported from Vietnamese in Cambodia. Some 50 people were reported to have been killed during the suppression of riots in Kompong Cham 70 miles north-east of Phnom Penh, where two National Assembly deputies were murdered by a crowd when they came to appeal for calm. The Government stressed its intention to remain neutral and to preserve the independence and territorial integrity of Cambodia and it appealed for order. Despite its hopes of maintaining existing diplomatic relationships and of holding talks with representatives of the Communist Vietnamese on the evacuation of their troops, North Vietnam and the PRG decided to suspend the activities of their embassies. Both condemned unequivocally General Lon Nol's action in deposing Prince Sihanouk and declared their support for his broadcast of 23rd March.

Although Vietnamese Communist comments on the situation and the Prince's own statements were relayed by Peking, the first Chinese public statement on Cambodia was not put out until a week after Prince Sihanouk's deposition. It then accused 'US imperialism' of instigating what was described as a *coup* carried out by the Cambodian 'right-wing clique'. On 5th April the Chinese Prime Minister, Mr. Chou En-lai, during a visit to North Korea spoke in firm support of Prince Sihanouk's declaration. The Soviet Union made no direct comment on the situation beyond accusing America of extending the conflict in Indo-China by drawing Cambodia into it.

Considerable publicity was given by China to what was described as the 'summit conference of the Indo-Chinese peoples', held 24th-25th April 'in the Laos-Vietnam-China border area'. This was attended by Prince Sihanouk in his capacity of President of the National United Front of Kampuchea and by top-level delegations from North Vietnam, the PRG and the Pathet Lao. Mr Chou En-lai travelled from Peking to hold a banquet for the conference. Dele-

gates declared their support for Prince Sihanouk and for the Pathet Lao's five-point declaration (see p. 548) and the ten points of the South Vietnamese National Liberation Front and the PRG [see 19.12.69 p. 1101]. The conference also promised a 'reliable rear area' and support for the Indo-Chinese struggle. It affirmed the objectives of independence, peace and neutrality and the prohibition of foreign troops and military bases on their soil. On 5th May Prince Sihanouk announced the formation of a 'Royal Government of National Union', under the leadership of his national united front. Mr. Penn Nouth, political adviser to Prince Sihanouk, was named as Premier. The Prince has denied that this is a 'government in exile'. He claimed on 12th May that three members of his 'Cabinet' were leading resistance forces in Cambodia. The three men he named were known in Cambodia as previous members of the Cambodian Communist movement and had taken part, as members of the National Assembly, in an attempted insurrection in 1967.

The 'government' was at once recognised by China, followed by a number of other countries including North Korea, North Vietnam, Cuba, Yugoslavia, Albania and eight Arab countries. China broke off diplomatic relations with the Government in Phnom Penh, though General Lon Nol said that the immediate cause of the break was his Government's discontinuing of the arrangement by which Chinese supplies were brought through the port of Kompong Som and up the Mekong to the Communist forces. The Soviet Union welcomed the formation of the front in a personal message from Mr. Kosygin to Prince Sihanouk of 17th May, but no statement of formal recognition for the Peking-based 'government' was made. Prince Sihanouk replied to the message with an official request for official recognition.

After talks with the countries concerned, the Cambodian Government announced its intention to resume diplomatic relations with Thailand, South Korea and South Vietnam.

Developments Inside Cambodia

Meanwhile clashes between the Cambodian army and combined North Vietnamese and Vietcong forces, with some Cambodian Communists, were taking place with increasing frequency. At the end of March the Government announced a large-scale Communist attack on the rubber-plantation town of Snoul near the border opposite the central area of Vietnam. Vietcong advances were reported in the southern province of Kampot, in Kompong Cham, where pro-Sihanouk demonstrations continued, and in the vicinity of Phnom Penh. Army reservists and veterans were called up by the Government, which accused the Vietcong of 'stepping up aggression' in a campaign to overthrow the Government.

As Vietnamese Communist activities became more extensive, the position of Vietnamese nationals, of whom there are estimated to be between 400,000 and 500,000 in Cambodia out of a total population of under seven million, grew increasingly invidious. Many thousands were rounded up and confined in camps or large buildings as a security measure. On 9th April there were reports of massacres of Vietnamese in Prasaut, Svay Rieng province.

The Government made a general appeal for arms and military equipment, but not troops, on 14th April; this was followed by a more specific appeal to certain selected countries. The United States supplied a batch of Russian-made rifles, captured in South Vietnam, but delayed their decision over the direct request from Cambodia for massive amounts of military equipment. There was strong opposition to providing this support from the Senate Foreign Relations Committee, and the meeting of the National Security Council, at which the subject was to be discussed, was postponed. A statement from the White House on 28th April spoke of US support for Cambodian neutrality and concern for the effects of a possible Communist takeover in Cambodia and said that increased

Communist activity outside Vietnam had to be considered in connection with the withdrawal of US troops from Vietnam.

In response to an official request from Phnom Penh for Thai troops, Thailand announced on 1st June its decision to send volunteers recruited from Thai citizens of Cambodian origin. They would be equipped, armed and paid by the Cambodian Government. Thailand has also agreed to provide military assistance, including patrol boats and reconnaissance aircraft

US and South Vietnamese Entry into Cambodia

It was made known on 29th April by the South Vietnamese Government that its troops had crossed the frontier into Cambodia to destroy enemy bases in the Parrot's Beak area, some 33 miles north-west of Saigon American advisers accompanied the troops, and the US provided air, logistical, artillery and medical support. On 30th April President Nixon announced a combined US South Vietnamese offensive against Communist bases inside Cambodia, in the region known as the Fish Hook, 50 miles north-west of Saigon The President said that, after consultations, he had concluded that enemy activity constituted 'an unacceptable risk' to the reduced forces in Vietnam it was the time for action in order to protect them and to guarantee the success of his programme for withdrawing US forces from South Vietnam and replacing them with South Vietnamese He said that the Communists had in recent weeks enlarged their sanctuaries, and Cambodia was in danger of becoming 'a vast enemy staging area and springboard for attacks on South Vietnam along 600 miles of frontier', as well as a refuge for retreating enemy troops The areas on which the attacks were to be launched were occupied and controlled by North Vietnamese forces and once these were driven out the US and South Vietnamese could withdraw. The President deplored the negative reactions of Hanoi to the American initiative in ending the bombing of North Vietnam in announcing the withdrawal of 250,000 troops and in offering to negotiate on all issues he claimed that failure on the part of the US to do anything beyond plaintive diplomatic protests' would destroy its credibility Speaking to Congressmen on 5th May, President Nixon made it known that the operation was only planned to last six to eight weeks and was limited in extent to 20-25 miles within Cambodian territory.

A third joint offensive into Cambodia was made on 5th May from the central highlands of South Vietnam, 50 miles west of Pleiku against a key Communist supply route Troops landing by helicopter came under heavy fire During the search for important Communist bases the town of Snoul abandoned by civilians, was almost completely destroyed by bombs and artillery fire US and South Vietnamese troops, together with troops of Cambodian origin residen in South Vietnam, formed a pincer movement in their search for the politica and military headquarters of the Communists in the South, which was believed to lie somewhere inside the Cambodia frontier Stores of arms, food and equipment and evidence of base camps were discovered but there was little military resistance The guerrillas appeared to be moving westward and attacks in the neighbourhood of Phnom Penh became more intensive

On 8th May a flotilla of armed South Vietnamese naval vessels set off up the Mekong towards Phnom Penh to bring relief supplies to the Vietnamese nationals under detention and to repatriate those who wished to return to South Vietnam At the same time the operation was intended to sweep the rive and clear the enemy outposts on either bank. South Vietnamese troops linked up with Cambodians on 10th May and succeeded in retaking the strategic ferry crossing over the Mekong at Neak Luong, some 35 miles south of the capital but the North Vietnamese and Vietcong secured much of the river above Phnom Penh and gained control of a number of towns. Highway One, the route from Phnom Penh to Saigon, was reopened after the dispersal of guerrilla units, but

Highway Four, running from the capital to the port of Kompong Som, was also threatened by Communist forces.

Unlike the Americans, the South Vietnamese have not so far committed themselves to a withdrawal date and appear prepared to spend some time clearing the eastern part of Cambodia of the enemy and preventing their return to former bases. President Thieu said on 11th May that it was necessary to destroy the enemy bases and the question of how long his forces would stay in Cambodia was secondary. The South Vietnamese Vice President, Nguyen Cao Ky, visited Cambodia on 12th May to discuss plans for the operation after the withdrawal of American support at the end of June.

It was reported by the U.S. Defence Department on 15th May that during the recent operations in Cambodia enough weapons had been captured to arm 30 battalions of 500 men each. Rice supplies sufficient to feed over 10,000 people for a year had also been discovered and taken.

International Reactions

President Nixon's announcement of the U.S. operation in Cambodia came barely two weeks after his speech of 20th April (see p. 549) in which he had announced his plans for withdrawing 150,000 more troops from Vietnam. Although he had said then that if increased Communist activity threatened the reduced forces he "would not hesitate to take strong and effective measures to deal with that situation", his new move provoked strong reaction within Congress and throughout the United States. The Senate Foreign Relations Committee strongly criticised the President's action, and a number of amendments to the Defence Appropriation Bill were proposed for consideration in the Senate and the House of Representatives: one prohibiting the use of American forces in Cambodia after June and requiring all American troops to be withdrawn from South Vietnam by 30th June 1971, and another cutting off funds for future American military activities in Cambodia and prohibiting use of advisers or air support there.

Within Cambodia, General Lon Nol said that the Government had received no advance warning of the U.S.-South Vietnamese incursion. In a May Day press conference he said that President Nixon's statement showed that he stood for the neutrality and sovereignty of Cambodia, which had been violated by the Vietcong. He asked for the means to fight to be given by all Cambodia's friends, including the U.S.; Cambodian neutrality was in the interest of all. A government statement of 4th May expressed gratitude to President Nixon, while renewing the appeal of 14th April for "any unconditional aid from friendly countries".

Comment from the Soviet Union placed full responsibility for the consequences on the U.S. Despite the fact that the activities of North Vietnamese and Vietcong troops in Cambodia had been the cause of the U.S.-South Vietnamese offensive, their presence in that area was consistently ignored by every Communist commentator. At a press conference, his first, on 4th May, Mr. Kosygin read out a government statement on Cambodia which professed amazement that the U.S. should have given as its reason for invading Cambodia the need to protect its troops in South Vietnam. It blamed the U.S. for imposing "fratricidal wars" and concluded: "The Soviet Government will naturally draw the proper conclusions for its policy from this course of action of the U.S. in South East Asia."

Peace Initiatives

While the conflict was visibly extending throughout Indo-China, a number of proposals were made for international talks on the situation. In a statement on 1st April, the French Cabinet called for "negotiation between all the interested parties with a view to seeking and guaranteeing the basis of a peace which is

itself indivisible' and offered to make an active contribution to this enterprise. At a press conference on 16th April the Soviet Deputy Foreign Minister and Ambassador to the United Nations, Mr. Malik, gave an indication that the Soviet Union was not inflexibly opposed to the possibility of a conference. He said that the situation in Cambodia was directly bound up with the Vietnam problem 'In present conditions the real situation appears to be that only a new Geneva Conference could bring about a fresh solution and relax tensions in the Indo-China peninsula. If this was the point of the French proposal, then it is deserving of attention.' He later contradicted this statement by saying that it was 'unrealistic at the present time' to convene such a conference and called for a withdrawal of American forces. Similarly, Mr Kosygin said at his press conference on 4th May, with reference to a question on the Geneva Conference and the International Control Commission (ICC), that these were matters for the people of Indo-China themselves to decide, but this was a time for action rather than conferences. But on 6th May the Polish Foreign Minister Mr Jedrychowski, said after talks in Paris that Poland would agree to the French proposals for an enlarged Geneva-type conference on Indo-China if most of the nations directly concerned wanted one

A world-wide plea for an international conference was made on 5th May by the Secretary-General of the United Nations, U Thant. He said that 'a new and critical stage' in the development of the Vietnam war was being reached and that the situation was even more dangerous than the Indo-China conflict had been before 1954. While emphasising the importance of exploiting to the full 'the Paris talks and every other opportunity for a peaceful solution of the Vietnam war', he expressed his concern over the unproductiveness of the Paris negotiations, the recent involvement of Cambodia in the war and the intensification of fighting in Laos. He said that it would become increasingly difficult to end a war which constituted a threat not only for Indo-China but for the whole of mankind unless the parties involved took 'urgent, decisive and courageous measures towards peace'. In consequence, he said, he had expressed interest in the French suggestion of negotiations and believed that it was essential to return to the Geneva Agreements of 1954 and 1962 by means of negotiations between all the parties concerned

A conference of Asian and Pacific countries to deal with the Cambodian crisis was proposed by the Indonesian Foreign Minister, Mr Adam Malik on 20th April and held in Djakarta 16th-17th May. Although the Communist countries declined to attend, 10 of the 20 countries which had received invitations accepted—Japan, South Vietnam, Laos, Thailand, Malaysia, Singapore, the Philippines, Australia, New Zealand and South Korea while a delegation from Cambodia, including the Foreign Minister, attended on a special invitation. The emphasis of the conference was on neutrality. In the final communique, delegates called for an end to hostilities, withdrawal of all foreign forces, non-interference in the internal affairs of Cambodia and a new international conference to resolve the entire conflict in Indo-China. The Foreign Ministers of Japan, Malaysia and Indonesia were given the responsibility of undertaking immediate consultations with Britain and the Soviet Union, as Geneva Conference co-chairmen to urge them to reactivate the ICC in Cambodia and to call the international conference. The three Foreign Ministers were also asked to seek the help of the United Nations in restoring peace in Indo-China

The British Position

On 23rd March the Cambodian Government asked Britain as one of the co-chairmen of the 1954 Geneva Conference on Indo-China, to help in reconstituting the ICC, adjourned *sine die* by Prince Sihanouk at the end of 1969 because of its financial difficulties. The British Government at once approached its fellow co-chairman, the Soviet Union, to seek its help in ensuring the with

drawal of North Vietnamese and Vietcong troops from Cambodia and in reactivating the ICC to supervise. As there was no response, Britain then independently informed India, as chairman of the ICC, of the Cambodian request. Since the ICC is autonomous it is not subject to the direction of the co-chairmen, and although the Indian Government has expressed its willingness to call a meeting with its Canadian and Polish colleagues to discuss reactivating the commission, it has held out little hope of success in view of the negative attitude of the Polish member and of the Soviet Union.

Although Cambodia had in April made a general request for military aid from all sources, the British Government made it clear that no special request for arms had been received by Britain. A further approach to the Soviet Union was made by Britain on 1st May. The Soviet Foreign Minister, Mr Gromyko, was asked to reconsider urgently his Government's present attitude to a conference, that the conditions for a conference did not at present exist. Mr Stewart said in the House of Commons on 1st May that in recent weeks the Government had repeatedly urged on the Russian co-chairman the use of the Geneva machinery to help in the problem of Cambodia. He said that the real objective must be to secure the complete neutrality of Cambodia and the absence of all foreign troops from its territory.

President Nixon's action in sending American troops into Cambodia provoked an emergency debate in the House of Commons on 5th May (*Hansard*, cols. 207-70). An adjournment motion was proposed by Mr Michael Foot, Labour Member of Parliament for Ebbw Vale, who said that there was the need for immediate diplomatic action by Britain, including strong protests against the latest military activities in Cambodia and North Vietnam, to prevent the extension of the war and the destruction of all hope of political settlement.

In reply, Mr Stewart emphasised that the Government had always held that neither side could achieve or should seek to achieve an outright military victory; both sides, and the friends of both sides, should work for a negotiated solution, and he referred to the efforts made by the British Government for this purpose. He also expressed regret at the lack of constructive response from Hanoi after President Nixon's decision to end the bombing of North Vietnam and to begin the gradual withdrawal of troops. Mr Stewart spoke with sympathy of the efforts made by Prince Sihanouk to keep his country at peace and the price he had had to pay in allowing considerable parts of his territory to be used by Communist forces. The American decision was taken in the light of information not available to Britain, which did not have the right to pronounce on the military decisions of a power engaged in hostilities in that area; no doubt the United States Government was aware of the concern all over the world that its action might hinder rather than help the policy proclaimed by President Nixon. The British Government had the duty, as co-chairman, to urge the reconvening of the Geneva Conference and to work through whatever channels might be available for an agreed and negotiated solution.

Among those who spoke in support of Mr Stewart's speech, Mr Maudling, deputy-leader of the Opposition, said that it was not a war of conquest or of subjugation that had led the Americans to enter Vietnam but the belief that it was America's duty to help other countries to avoid subjugation and to enable them to choose their own government. The U.S. sent troops into Cambodia to destroy the enemy already there, who was operating from Cambodia against American forces. There was no reason to doubt that, in President Nixon's judgment, the action was calculated to shorten, not prolong, the agony in South East Asia.

A number of members, several of them on the left-wing of the Labour Party but including also Mr Russell Johnson, speaking on behalf of the Liberal Party, and the Conservative member for Wolverhampton, Mr. Powell, were critical of the US Government's action in Cambodia and deplored the expansion of the war in Indo-China.

The Prime Minister, Mr. Harold Wilson, spoke in conclusion. He pointe out that the concern which all felt centred on whether the recent decision woul bring a reversal of the policy which President Nixon had stated in Novemb 1969 [see 19.12.69 p. 1102]. The President's decision to enter Cambodia ha been taken with the object of protecting the US forces in Vietnam and t guarantee the success of the programmes of withdrawal and Vietnamisatio Mr. Wilson said it was Britain's duty to seek the settlement of the issues i Indo-China round the conference table He laid down five principles as a bas for the British Government's efforts to find a solution These were that conference capable of resolving all the problems should be convened ever effort should be made to secure the withdrawal of all foreign troops fro Cambodia; foreign troops should be withdrawn from Vietnam as soon as th elements of a lasting settlement, giving the people of Vietnam the right to deci for themselves their own future, had been secured. Indo-Chinese territories shoul have the right of peaceful development and of internationally respecte neutrality; the conflict of South East Asia could not be decided on a world sca until the Chinese Government was represented at the United Nations

The adjournment motion was rejected by 278 votes to 68

A debate on the situation in South East Asia was also held in the Hou of Lords on 14th May (*Hansard*, cols 753-828)

LAOS

The Military Situation

After the Communist campaign of June July 1969 which resulted in th loss of a number of government positions [see 26 9 69 p 838] the Royal Laotia Army launched a counter-offensive in early September and achieved som major successes Resistance was slight with the aid of US air support the arm was able to recapture the Plain of Jars On 26th September the Pathet La sent a message to the Geneva Conference co-chairmen protesting again encroachments on the territory they had held and against the assistance the claimed the US was giving to the Royal Laotian Government's forces Th Soviet Foreign Minister, without prior consultation with the British co-chairman on 30th October circulated a statement to the 1962 conference members condemn ing the Laotian Government's recent military campaign and attributing successes to US military involvement The statement also referred to allegation that US and Thai troops were taking part in the fighting On 13th Novembe the Prime Minister of Laos, Prince Souvanna Phouma, refuted the allegation in a note to the co-chairmen, emphasising that the Plain of Jars had been occupie by neutralist troops loyal to himself until 1964, when they had been driven ou He said that large stocks of arms and ammunition had been discovered in th

Communist areas, indicating preparations for large-scale offensive The Prim Minister asked the co-chairmen to remind the Pathet Lao and the Nort Vietnamese authorities that North Vietnamese troops in Laos constituted a act of war Facilities would be provided for the ICC to investigate Communis allegations that US and Thai troops were fighting in Laos if the Communist would reciprocate by allowing the ICC to investigate the areas they controlle The Soviet Union failed to respond and the British Government circulate Prince Souvanna Phouma's message unilaterally to the Geneva Conferenc powers.

The ICC has for many years been virtually powerless to carry out its dutie in Laos, since the Pathet Lao no longer recognises its authority and refuses t allow it to investigate territory under Communist control Its future came mor directly into question towards the end of 1969; shortly after Prince Sihanou had announced that he was ending the commission's operation in Cambodia the Canadian Government made known that as part of a general reductio

of staff in overseas missions it was planning to withdraw its staff from the ICC in Cambodia and Laos. These were withdrawn from Vientiane in March 1970, except for a military officer, who is to discharge Canada's responsibilities as a member of the ICC. He can, when necessary, call on the staff and services of the Canadian Commissioner in South Vietnam.

On 3rd February 1970 an official proposal was put to North Vietnam by the Laotian Government, that the Plain of Jars should be neutralised as a first step towards ending the war. Two phases were envisaged. North Vietnamese troops should first be withdrawn from the area and the Plain should then be occupied by neutralist troops, which would include units of the dissident neutralists, who had gone over to the Pathet Lao in 1963. Both Hanoi and the Pathet Lao rejected the proposal, the latter declaring their intention to recapture the region. An evacuation of the civilian inhabitants of the area, estimated at over 15,000, was then carried out with the help of US air transport. It was completed shortly before the beginning of a new Communist offensive on 12th February. The initial attacks were aimed at Khang Khay airfield and then became centred on the airfield at Xieng Khouang, which was finally abandoned by government forces on 20th February. The attackers were reported to be mainly North Vietnamese of the 144th Regiment, who had recently infiltrated into Laos. The stronghold of Muong Soui, taken by the Communists in 1969, though lost again in October, was recaptured. The whole of the Plain of Jars was under Communist control by the 21st February and a number of mountain outposts on its borders were also taken. Provinces of Thailand bordering on Laos were put on full military alert.

The North Vietnamese-Pathet Lao offensive then moved to the south-west of the Plain and the military bases of Sam Thong and Long Chen, headquarters of General Vang Pao's army of Meo tribesmen, came under heavy pressure. Sam Thong was for a time abandoned but was re-occupied by the end of March. In the south of the country the town of Attopeu, which like the town of Saravane had been virtually under siege for some years, fell to the Communists in April. Attopeu lies to the west of the line generally recognised, since the 1962 Geneva Agreement, as dividing the area controlled by the Government from the Communist-controlled area to the east. Its fall thus represented a breach of the convention usually observed by both sides in this area as opposed to the disputed area of the Plain of Jars, which was formerly under neutralist control.

During May the South Vietnamese Foreign Minister disclosed that South Vietnamese forces had pursued Communist troops into Laos from time to time. The US Defence Secretary, Mr. Melvin Laird, said on 18th May that such border crossings were "in connection with a running battle or a rescue mission".

Appeals to Co-Chairmen

The Prime Minister of Laos, Prince Souvanna Phouma, has in recent years expressed his opinion that the Laotian problem should be settled by treating it as a separate issue from the Vietnam war. In April 1970, however, he spoke of the indivisibility of the Indo-China conflict and said that it was the result of North Vietnam's refusal to limit its military operations to Vietnam. He has appealed against North Vietnamese intervention to the Geneva Conference co-chairmen on a number of occasions. Three such appeals were circulated by Britain in 1969 to the other members of the 1962 Conference, since the Soviet Union was not prepared to act jointly (see 26.9.69 p. 841). The covering note to the appeal circulated on 11th December 1969 called on all parties to observe the agreements and supported the proposal that the ICC should thoroughly investigate allegations of foreign intervention.

On 28th February 1970, following the occupation of the Plain of Jars, Prince Souvanna Phouma officially asked the co-chairmen for consultations between the 14 signatories of the 1962 Geneva Agreement on the Neutrality

of Laos, under Article Four of the agreement which provides for consultations in the event of any violation of the country's 'sovereignty, independence, neutrality, unity or territorial integrity'. The British Government proposed to the Soviet Government that the Laotian request should be circulated with a covering message deploring the upsurge in fighting and regretting 'that this should have taken place instead of consultation between the parties concerned upon proposals . . . aimed at neutralisation of the Plain of Jars and a reduction of tension in Laos'. The message invited the views of the countries that had participated in the Geneva Conference on action that might be taken to bring about peace. Since the Soviet Union was unable to agree to join in this action, the message and Prince Souvanna Phouma's letter were circulated on 19th March by Britain alone

Similar appeals were addressed on 6th March to the British and Soviet co-chairmen by President Nixon, who also made a statement on American policy in Laos. This listed ways in which the American Government was helping the Laotian Government to resist North Vietnamese attacks, including US air operations along the Ho Chi Minh Trail and the air support given to Laotian troops in northern Laos. He emphasised at the same time that there were no American ground combat troops in Laos In its reply to the President's letter, Britain affirmed that it supported all efforts leading to compliance with the 1962 agreement on the neutrality of Laos The Soviet reply said that it was unrealistic to hold consultations between the Geneva Conference powers in the present situation and that the first steps towards restoring peace should be consultations between the political powers in Laos It drew attention to the five-point peace formula of the Pathet Lao This had been put out on 6th March by the Pathet Lao's Information Bureau in Hanoi (established in December 1969 by agreement with the North Vietnamese Government) The wording of the peace programme implied that there must be a total end to US bombing throughout Laos before any part of it could be implemented It proposed a ceasefire, a political conference at which all parties would be represented a provisional coalition government and then general elections The Pathet Lao also stated that the peaceful settlement of the Laotian problem must be based on the 1962 Geneva Agreements and on 'the actual situation in Laos' It made no mention of the presence of North Vietnamese troops in Laos

On 9th March Prince Souvanna Phouma offered to talk with the Pathet Lao about their programme and on 20th March an envoy from Prince Souphanouvong, leader of the Pathet Lao, arrived in Vientiane The proposals were put before the National Assembly, which on 30th March urged negotiations with the Pathet Lao on the basis of the five points, but with no preconditions In his reply of 9th April, Prince Souvanna Phouma said that he was willing to begin negotiations, without unacceptable preconditions with the Pathet Lao he envisaged a cease-fire, a halt to the bombing, except in the area of the Ho Chi Minh Trail, and supervision by the ICC There have been no further developments since

VIETNAM

The programme for the withdrawal of American troops from South Vietnam [see 19.12.69, p 1098] continued in 1970, as did measures to improve the capability of South Vietnamese forces for eventual assumption of responsibility for the defence of South Vietnam. The percentage of the rural population in secure areas under government control was reported to be growing steadily With the reform of local government administration, over 94 per cent of villages and hamlets now have elected governments and greater autonomy, and provincial councils are to be elected in 1970 Distribution of arable land to landless peasants has continued and it is intended to distribute the remaining arable acreage during the years up to 1973 under the 'Land to the tiller' law, which gives

nership to the farmers actually tilling the land and offers equal opportunities all farmers

Infiltration of North Vietnamese into South Vietnam continued and large mbers of troops entered the Mekong delta area from Cambodia Warfare ıded to revert to small-scale guerrilla activity, though there was some heavy hting near the borders with Cambodia and Laos

On 20th April President Nixon announced the next stage in his programme troop withdrawals Over the next twelve months 150,000 more American ops were to be withdrawn, reducing the total number authorised in Vietnam 284,000, compared with a total of 549,500 in January 1969, when the President ok office He emphasised that the reduction was a risk, in face of the recent rease in the fighting in Laos and Cambodia and stepped-up attacks in South etnam, but it was a risk for the sake of peace More troops would be withdrawn progress was made in negotiations President Nixon reaffirmed that his Govern-nt accepted eventual total withdrawal of troops if North Vietnam would hdraw its own and give a reliable assurance they would not return The er-riding objective was a political solution which would allow the South etnamese people to determine their own future and reflect the existing relation-p of political forces He said that South Vietnam and the United States would ıde by the outcome of the political procedure agreed

In addition to withdrawal of troops by the United States, the Government the Philippines announced in November 1969 that it was withdrawing its ntingent by the end of the year The Australian Government said in April 70 that it would withdraw 1 000 men although the exact date would depend the progress of Vietnamisation and operational requirements

The activities of the Provisional Revolutionary Government' (PRG) South Vietnam see 1969 p 1102 tended to be mainly international, view of its inability to establish an administrative centre or to gain any bstantial support inside South Vietnam A delegation from the PRG attended preparatory meeting for the Non Aligned Conference in Dar es Salaam on th-17th April, but some delegates from other countries were opposed to its ing granted full member status and a decision was shelved until the full summit nference Members of the PRG and the National Liberation Front of South etnam also attended the summit conference of the Indo-Chinese peoples' 24th-25th April (see pp 540-1)

Early in May, following on the incursion by South Vietnamese and US oops into Cambodia, the United States revealed that American planes had mbed targets in North Vietnam The attacks were the heaviest since bombing was halted in November 1968 Described as reinforced protective reaction ikes the raids were mainly against missiles and anti-aircraft installations ong the borders of North Vietnam and the demilitarised zone and were ended, in particular, to protect unarmed reconnaissance flights in that area. Paris, where the regular weekly meetings were continuing to be held, the ssion due to take place on 6th May was postponed by the Communists until e following week, in protest against the bombing and the extension of the nflict into Cambodia The talks were resumed the following week

Port Development

Substantial new investment is being made in Britain's ports. The following are notable examples of schemes recently completed.

Port Talbot Ore Terminal

A new £20 million iron ore terminal at Port Talbot in South Wales was opened by the Queen on 12th May. Her Majesty also opened the associated £18 million basic oxygen steelmaking plant which the British Steel Corporation (BSC) has built at its nearby works. Of the £20 million, some £15.5 million has been spent by the port authority, the British Transport Docks Board (BTDB) and the remaining £4.5 million by the BSC on discharging plant. Both these bodies are state-owned.

The new tidal harbour has been in operation since 15th March, when the 50,000 deadweight ton (dwt.) ore carrier *Forth Bridge* docked there. It has been designed to accommodate initially bulk ore carriers of up to 100,000 dwt., one of the only two ports in Europe at present able to do this. Built over a period of three and a half years it is the largest British harbour development of its kind for over 60 years and the largest single development project completed by the BTDB within its seven-year £73 million development programme at its 19 ports. The design allows for its eventual extension to receive vessels of up to 175,000 dwt. The port's two ore unloaders are together capable of dealing with a 100,000-ton cargo in a little over two days, at an average rate of 1,800 tons an hour and a peak rate of 3,600 tons an hour. The water area covers 400 acres; the main breakwater is over 1¼ miles long and at the far end stands 64 feet high from the sea bed and 350 feet wide at the base; the lee breakwater is nearly ¾ mile long; and the 1½-mile dredged approach channel is 550 feet wide.

Tilbury Container Port

The first container ship to use the Overseas Containers Ltd.-Associated Container Transportation (the two container consortia of British shipping lines) berth at Tilbury, port of London, docked there in May. Though completed in early summer 1969 the berth has been out of action due to a dockers' ban on agreements to work new berths, which was lifted on 27th April following a wage settlement for London dockers as a whole.

The recent dock development and extension scheme at Tilbury has cost the Port of London Authority nearly £30 million, £20 million of which was devoted to the construction of nearly two miles of deepwater quay to provide 13 new berths, including berths for container and other unit load traffic, packaged timber, roll-on/roll-off and conventional traffic. Ten of these berths are now operational. Other developments include a riverside impounding station and a freightliner rail container terminal, both now working. An additional £5 million has been spent on a new grain terminal.

In all 22 container services are now operating out of Tilbury. The first container service from a specially-constructed berth was initiated in October

1966, and the first from a specialised container berth in June 1968. In 1969 140,000 containers passed through the port of London.

Immingham Oil Terminal

The BTDB's new deepwater oil terminal at Immingham on the Humber, completed in October 1969, was officially opened on 20th March by the Secretary of State for Local Government and Regional Planning, Mr Crosland. Built at a cost of £5·5 million to accommodate tankers of up to 250,000 dwt, it is expected to handle some 10 million tons of crude oil and refined products during 1970. (For the time being channel restrictions in the outer estuary limit cargoes brought by tankers of this size to 135,000 tons.) The terminal is to serve two new major refineries in the area. In addition to two ocean tanker berths, others have been provided for small tankers and barges to load refined products. A 4,500 foot jetty is connected to 68,000 feet of pipeline.

Dover Terminal Extension

The £1·5 million Eastern Docks development at the port of Dover, on the coast of Kent, was opened by the Minister of Transport, Mr Mulley, on 1st May. Already the largest of Britain's passenger ports, Dover expects to handle approaching 5 million passengers and 1 million cars in 1970 on its shortest routes to the continent of Europe. Freight handling, much of it by roll-on/roll-off methods, is growing rapidly: in 1969 Dover handled well over 50,000 commercial vehicles, 4[illegible] per cent more than in 1968. In conjunction with new facilities for cars and passengers, a computer booking system, a new immigration centre and accelerated customs procedures are expected to reduce the congestion caused by growth of traffic in recent years. The Dover Harbour Board is responsible for the development.

Shipbuilding Industry

ASSISTANCE FOR CAMMELL LAIRD

The Paymaster General, Mr Lever, made a statement in the House of Commons on 7th May (*Hansard*, col. 590) concerning the steps which the Government proposes to take to alleviate the financial problems of the Cammell Laird group, one of Britain's leading shipbuilding and engineering concerns. The statement was occasioned by the company's disclosure of a net loss on its shipbuilding subsidiary of £[illegible] million in the last financial year and its expectation of further heavy losses on contracts up to 1972.

In many respects the difficulties of Cammell Laird are common to a number of shipbuilding groups in Britain. The industry is currently in a process of major modernisation and reorganisation which, in the last four years, has seen the formation of six new integrated groupings from amongst 16 smaller yards. In 1969, for the second successive year, the industry received orders for over two million gross tons of merchant vessels, substantially above the level of many recent years. This improvement is attributable to a number of factors including the devaluation of sterling in November 1967, the closure of the Suez Canal (resulting in greater demand for large super-tankers) and the difficulties of some foreign yards, notably in Japan, in quoting acceptable delivery dates because of full order books. However, the boom in demand had led several British companies to take orders at fixed prices and the margin of profit built into contracts has been insufficient to offset the rise in production costs which is taking place.

Mr. Lever said that the shipbuilding subsidiary of Cammell Laird had made profits in earlier years and the parent company possessed valuable assets; however it was unable to make available the money required for the normal operation of its shipbuilding business The group consequently faced a liquidity crisis which jeopardised the future of its 20,000 employees Mr. Lever explained that the powers of the Shipbuilding Industry Board, set up in 1967 to assist reorganisation and re-equipment within the industry, were inappropriate to solve the wider problems of the group [see 31 3 67 p 349], but the Industrial Reorganisation Corporation (IRC) had agreed to make secured loans available as required within a limit of approximately £6 million to assist the group in meeting the needs of its shipbuilding subsidiary In addition, the leading ship-owner customers of the Cammell Laird yard at Birkenhead, on Merseyside, had agreed to the cancellation of certain orders subject to reasonable refund provisions, and to the provision of loans to facilitate the completion of other orders.

The Government has agreed as part of these arrangements to take a 50 per cent shareholding in the shipbuilding company, at a price to be settled by independent valuation Mr Lever stressed, however that the future of the company would depend on the efforts of management and workers in making it a viable competitive unit In order to promote a realisation of this fact the Government is considering the possibility of placing its holding of shares in a trust on behalf of the employees Discussions concerning this are now taking place with trade unions and other interested parties

Metric System of Weights and Measures

METRICATION BOARD'S FIRST ANNUAL REPORT

The first annual report of the Metrication Board was published on 13th May (*Going Metric the First Five Years*, HMSO, 12s 6d) The board came into existence in May 1969 [see 20 6 69 pp 561-3] to facilitate the transition of each sector of the British economy to the metric system of weights and measures and the report marked the end of its first year and of the first five years of progress since the announcement of government support for the changeover [see 8 6 [illegible] p. 553].

Main Conclusion

The report's main conclusion is that most British institutions will have changed over to the so-called Systeme Internationale d'Unites (SI) an extension and refinement of the traditional metric system, to which most important trading nations are changing —before the target date of 1975

Britain will thus be brought into alignment with 90 per cent of the world's peoples and every country of significance except the United States, where under authority of Congress, a comprehensive study is in progress to determine the impact of the increased world-wide use of metric system on the US economy

A conversion table giving some useful SI equivalents of imperial units shown on p. 553.

Progress in Each Sector

The report reflects the work of the eight steering committees set up by the board to assume responsibility for the various sectors, who in their turn have drawn upon the work done by the trade associations

On education, the report identifies the essential and distinctive roles of schools, further education establishments, and other less formal institutions including the voluntary services and broadcasting organisations. A lively start has been made in spreading knowledge of the metric system. The publishers and the manufacturers of educational books and materials are responding. The

METRIC DATA CONVERSION TABLE

Imperial Units to Metric (SI) Units

Quantity	Imperial unit	SI unit	Rough equivalents
Length	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Source: British Standards Institution and Royal Geographical Society Journal

contribution of the educational system to the progress of metrication will involve additional expenditure. This will be amply justified by the substantial saving in time arising from the greater simplicity and coherence of the metric system

On transport and communications the Metrication Board took the initiative in bringing the various interests together What happens in the sector affects the lives of the whole population Operators users government departments and other bodies principally concerned are now working together to agree a common date for the metrication of rates and charges The beginning of 1972 is suggested as a possible target date In transport, one of the most widely noticed effects of going metric will be when road speed limits are first expressed in kilometres per hour in 1973

The fuel and power industries have a widespread effect on the economy The important change here is in the units of sale, and the Metrication Board is concerned that there should be agreement on common units of power and energy for making easy comparisons between the several choices of fuels and appliances available to the user

Agriculture employs more than 700 000 people Metrication will not call for any dramatic changes Nevertheless, changes will take place and these should result in simplification of accounting and calculating and opening the way for some technical improvements The board sees no reason why both farmers and horticulturists should not use 1972-73 as the target for planning purposes although it may not prove possible to complete all the necessary changes until 1974 Other changes on the land including the metrication of forestry and land surveying are taking place now

The availability of major industrial materials in metric quantities and dimensions is vital to the progress of metrication Metrication programmes for 45 products and materials are presented in an appendix to the report in a simple graphic way. Most metals will be available in metric terms during 1970 The majority of industries producing other industrial materials will be changing to metric terms during 1970-71 The paper industry has already agreed to adopt metric sizes, and the printing industry will be metric by the end of 1970

The construction industry employs over one million people in 80,000 firms. The report recognises the problems posed by the fragmented nature of the industry and the high proportion of small firms The industry was one of the first to embark on the change A substantial amount of new work is being designed in metric now, and by 1972 virtually all new projects in the public sector should be designed in metric The board is concerned that similar progress should be made in the design of work for the private sector

Three and a half million people are employed in the engineering industries which have a turnover of £14 000 million and within which there is considerable variation in the size of firm, range of product and in the state of preparation for metrication. On the whole, progress is encouraging, and the pace will accelerate in 1970 and 1971

The report makes it clear that there can be no comprehensive metrication plan or timetable for the whole of food and consumer goods The problems are very diverse. The manufacturers of bedding have taken an initiative and the industry hopes to go metric in January 1971, at the same time rationalising the range of products Some textile fibres and fabrics will be supplied to commercial users in metric quantities in 1971 For food manufacturers, the main change will be in packaging, with opportunities for rationalisation The Metrication Board encourages the sector to bring forward its metrication programmes for introducing metric products into the market-place at the earliest practicable date

When these changes reach the retail sector metrication will make the most impact on the ordinary citizen. Measurement of goods at the point of sale is becoming less of a critical factor, most commodities being sold by number or packages. It will nevertheless be important to retain the confidence of consumers and to reassure them about the changes arising out of metrication. The Metrica-

tion Board is devoting special attention to the problems of retailing milk, beer and petrol in metric quantities. Beginning in 1972, and accelerating in 1973, the changes flowing from metrication will become increasingly evident to the general public.

Before this stage is reached, most work people will have received some industrial training in working with metric measures. Training, and more commonly, retraining, is not likely to become a formidable task. The objective is to enable work people to "think metric". For the majority the amount of new knowledge needed will be limited and readily acquired on the job.

A positive line on procurement by the central government and legislation will do much to help the momentum of change. Local authorities, because of the wide range of services they control and their substantial purchasing power, can also exert a strong influence on the pace of change.

Costs

Metrication is a fundamental change made with the aim of gaining major benefits. It inevitably involves some initial cost. The report emphasises that there is no official estimate of the total cost of going metric nor of the financial gains to be expected. Nevertheless the Metrication Board is confident that investment in metrication can pay big dividends.

Spares in Imperial Units

Both at home and overseas there will be a continuing need to service existing equipment designed in imperial measurements, and spare parts for machinery and equipment manufactured to imperial specifications and already supplied or being supplied to overseas customers will continue to be available.

Broadcasting

BROADCASTING SERVICES INQUIRY

The Government has decided to set up an independent committee of inquiry to carry out a wide-ranging review of the future of sound and television broadcasting in Britain. In announcing this decision in the House of Commons on 15th May (*Hansard*, cols 1454-60) Mr John Stonehouse, Minister of Posts and Telecommunications, stated that important technical developments in the field of broadcasting and of communications generally called for a comprehensive inquiry into the long-term future of broadcasting after 1976 when the present mandates of the BBC and ITA were due to expire.

The terms of reference of the committee, to be chaired by Lord Annan, would be 'To consider the future after 31st July 1976 of the broadcasting services in the United Kingdom, of the dissemination by wire of broadcast and other programmes and of television for public showing; to consider the implications for present or any recommended additional services of new techniques, for example, for recording visual programmes for reproduction; and to propose what constitutional, organisational and financial arrangements and what conditions should apply to the conduct of all these services.'

Mr. Stonehouse explained that there was not full awareness of all the technical developments which might be generally accepted in a few years time. 'The pace of change is considerable. I have had an advisory group of scientists and electronic engineers advising me on the subject for some months, and I am satisfied that the change in the technological environment for broadcasting may be so considerable that the whole function of the broadcasting institutions in Britain as we have known them may have to change. That is why a committee of inquiry which can take into account the wider social implication of these changes is essential.' The committee of inquiry would not be concerned with short-term problems but only about the situation after 1976.

TELEVISION AND DELINQUENCY

Research findings have so far failed to establish any causal link between violence on television and juvenile delinquency, according to a report of the Television Research Committee published in May. The committee was established by the Home Secretary in 1963 to 'initiate and co-ordinate research into the influence of television and other media on the attitudes, values and behaviour of young people.' Its latest report, *Television and Delinquency* (Leicester University Press, £1 10s) conveys the findings of a study of the television viewing habits of adolescents placed on probation by the courts, set against the background of other research into the nature and causes of delinquency. No new proof as to any causal relationship between television viewing and delinquency is forthcoming from the study. 'The whole weight of research and theory in the juvenile delinquency field would suggest that the mass media, except just possibly in the case of a very small number of pathological individuals, are never the sole cause of

elinquent behaviour ', the report concludes 'At most they may play a contri-utory role, and that a minor one.'

'he Study

For the purpose of the study 334 adolescents on probation were questioned s to their television viewing habits, and their replies were compared with those iven by a control sample of 144 young people from similar backgrounds, and ith those of a lower middle class sample consisting of 185 young people ittle difference was found between the three samples in the gross amount of elevision watched, or in the actual programmes viewed 'The three samples iffered ', the report states, 'in terms of how they perceived and used television rogrammes rather than in terms of which programmes they commonly viewed r listed as favourites

The main differences in viewing habits between the probationer and control amples were (a) probationers expressed a disproportionate interest in 'exciting ' rogrammes, (b) they talked less about their television viewing to other people ;) they were particularly aware of hero figures in television programmes

It would be wrong however the report argues to lay too much stress on the uniqueness of the probationers' television viewing behaviour in he majority of cases there were no differences or only very slight differences, etween the probationers and their controls Normally it was the members f the lower middle class sample who were noticeably different from the other wo groups for instance in their liking for the less exciting programmes and in heir [illegible] in talking about the programmes viewed

The report lays emphasis on the shared social class background as an xplanation of the largely shared viewing behaviour of probationers and control ample The particular features of the delinquents' tastes and choices could erhaps be better explained as [illegible] a common theme or intensification f particular tendencies found also in the control sample members ' it uggests The preference of delinquents for exciting programmes and their nterest in hero figures seemed to be partly a function of social class membership nd partly a function of delinquent status Being delinquent intensifies tastes hich are also a more general feature of the working class subculture

The Impact of Television

No survey or correlation study which merely seeks to establish whether elinquents and non delinquents differ in their media behaviour is in a position offer proof or disproof about the suggested causal relationships between edia content and deviant or lawbreaking behaviour the report warns elevision preferences might themselves reflect the drives needs and social ckground which were the cause of the delinquent behaviour

There were no grounds for assuming that the excitement experienced in e fantasy world of television either stimulated or reduced the need for active tlets for excitement

The theory that 'a person becomes delinquent because of an excess of efinitions favourable to violation of law over definitions unfavourable to viola-on of law ' is considered in the report In so far as television could be argued provide an over-abundance of definitions favourable to delinquency this ight be used by delinquents to justify their behaviour, it suggests. 'It seems ossible that delinquents do not merely 'use' television as a means of excitement ernative or supplementary to delinquent behaviour itself, but also seek to ionalise their delinquent acts by reference to television: if people behave gressively and destructively on television (for example) then they may argue hat it is all right for them to behave similarly ' The report argues the need for

more information on the attitudes of delinquents to different types of deviant behaviour displayed on television.

It is, however, cautious as to the possibility of establishing any simple causal relationship between television and delinquency, which does not take into account the whole social background of those concerned. ' It is probably only through examining in detail the part which the mass media play in the lives of deviant or delinquent groups that we can arrive at better hypotheses about the patterned, and possibly, in certain senses, causal relationships that link such groups with these agencies of cultural dissemination ', it states. ' Further research is needed to map more precisely the relationships between television behaviour and the particular variety of disorganised, working-class subculture which has been put forward here as characteristic of at least some of the probationers. More generally it would no doubt prove fruitful to try to place delinquents' television behaviour within the context of their whole range of media behaviour and also within the context of their leisure pursuits in general. After all, delinquency itself can no doubt profitably be thought of as a form of leisure pursuit.'

Government and Administration

Judges' Salaries. An increase in salary for Lords of Appeal in Ordinary, judges of the Supreme Court in England and Northern Ireland, and the judges of the Court of Session in Scotland was provided for under the Judges' Remuneration Order which was approved in the House of Commons on 30th April. The Order was made under powers conferred by the Judges' Remuneration Act 1965 [see 3.8.65 p. 764] which for the first time enabled the salaries of the higher judiciary to be increased without the need for legislation.	*Hansard*, 30.4.70 cols. 1566-88
Statistics of Foreigners Entering and Leaving the United Kingdom 1969	Cmnd. 4342 HMSO, 1s 6d
New Minister of Housing and Local Government. The resignation of Mr. Anthony Greenwood from the office of Minister of Housing and Local Government consequent upon his appointment as a member of the board of the Commonwealth Development Corporation was announced by the Prime Minister on 30th May. The new Minister of Housing and Local Government is Mr. Robert Mellish, formerly Parliamentary Secretary to the Treasury, an office to which no new appointment has as yet been made.	Press release 10 Downing Street London, SW1 30.5.70
Magistrates' Courts. A new post of Adviser on Magistrates' Courts has been set up in the Home Office to provide advice on matters concerning justices' clerks and the Home Secretary's functions relating to the administration of magistrates' courts.	Press release Home Office 31.3.70
Probation and After-Care Service. An increase of 50 per cent in the strength of the probation and after-care service has taken place during the past five years said the Minister of State, Home Office, at the annual meeting of the Margery Fry Memorial Trust (a trust primarily concerned with the provision of hostels for homeless offenders).	Press release Home Office 20.4.70

External Affairs and Defence

Tonga. Second reading of Bill making provision for Tonga to take over responsibility for its own foreign affairs and defence, with effect from 4th June 1970.	*Hansard*, 11.5.70 cols. 1011-24
Rhodesia. Consular Representation. In addition to the countries which closed their consular offices in Southern Rhodesia in March [see 10.4.70 p. 348], the Portuguese	*Hansard*, 12.5.70 written answers cols. 256-7

Government announced on 30th April that their Consul-General in Salisbury would be withdrawn. He left on 9th May, though the office remains open. There are now no consular officials in Southern Rhodesia holding British authorisation.

Simonstown Naval Base and UN Arms Resolution British interests at the base and the facilities offered to British vessels.
Hansard [HL], 12.5.70 cols 491-5

- Obligations of the British Government
Hansard [HL], 13.5.70 cols 551-3

Swaziland Gift of Speaker's Chair Gift to mark the country's attainment of independence within the Commonwealth.
Hansard, 14.5.70 cols 1654-5

United Nations Report No. 1 (1970) on the proceedings of the twenty-fourth session of the General Assembly held from 16th September to 17th December 1969 and on the proceedings of the Security Council in 1969
Cmnd 4363 HMSO 18s

Rhodesia
COI, R 5864/70

Tonga Termination of Status as a Protected State
COI, Factel No. 602

Economic and Scientific Affairs

Population and Family Planning British Support for Multilateral Programmes The Minister of Overseas Development, Mrs Hart, announced that she proposed to double the British grant to the International Planned Parenthood Federation (IPPF) for the second year running, bringing it up to £200,000 for the current financial year, to support the population activities of the OECD Development Centre in Paris with a grant of £10,417 a year for the next two years and to make a grant of £400,000 to the UN Fund for Population Activities of which £150,000 might be spent in the current financial year and the balance in 1971-72. Mrs Hart also envisaged further and probably increased support for both the IPPF and the UN fund in future years if their programmes warranted it.
Hansard 14.5.70 written answers cols 353-4

Scottish Development Department Report for 1969
Cmnd 4313 HMSO, 12s 6d

Ecuador British Aid Exchange of Notes concerning an interest-free development loan by Britain to the Republic of Ecuador [Entered into force 15th November 1969.]
Cmnd. 4344 HMSO, 2s 3d

Oil Pollution Resolution to amend the International Convention for the Prevention of Pollution of the Sea by Oil 1954, adopted by the Assembly of the Inter-Governmental Maritime Consultative Organisation on 21st October 1969
Cmnd 4347 HMSO, 1s 9d

Indonesia: British Aid. Exchange of Notes amending the interest-free development loan agreement of 22nd October 1969 by Britain to the Republic of Indonesia. [Entered into force 17th February 1970.]
Cmnd. 4356 HMSO, 9d

Margarine and Compound Cooking Fats. Report No. 147 of the National Board for Prices and Incomes.	Cmnd. 4368 HMSO, 2s 3d
Distributive Trades Statistics. A guide to official sources. National Economic Development Office	HMSO, 13s
Commonwealth Development Corporation. Annual report for year ended 31st December 1969	HMSO, 10s 6d
Industrial Reorganisation Corporation. Report and accounts, 1968-69.	Industrial Reorganisation Corporation, 46 Pall Mall, London SW1
Co-operative Movement in Britain	COI, RF P 5434/70
Productivity in British Industry	COI, Factel No. 601
Changeover to the Metric System in Britain	COI, Factel No. 603

Social and Cultural Affairs

University Staff Negotiating Machinery for Salaries. Following negotiations between the Government, the University Grants Committee, the Committee of Vice-Chancellors and Principals, and the Association of University Teachers, the Government has agreed to the establishment of negotiating machinery for the salaries of academic staff in universities. The arrangements will cover all academic staff except those in clinical departments.	*Hansard,* 7.5.70 cols. 559-60
Increased Supplementary Benefit Rates. The Secretary of State for Social Services laid before Parliament proposals for increases in supplementary benefits from November 1970. The rate for a single householder would be increased by 8s to £5 4s and for a married couple by 13s to £8 10s, plus rent in both cases.	*Hansard,* 15.5.70 col. 1667
Adult Education in Scotland. The Secretary of State for Scotland has appointed a committee, under the chairmanship of Professor K. J. W. Alexander, "to consider the aims appropriate to leisure time courses for adults which are educational but not specifically vocational; to examine the extent to which these are being achieved at present; and, with due regard to the need to use the available resources most effectively, to make recommendations."	*Hansard,* 15.5.70 col. 420
Israel. Cultural convention between Britain and Israel. (Entered into force 20th February 1970.)	Cmnd. 4346 HMSO, 1s 9d
A Guide to Adoption Practice. A handbook, primarily for the staff of statutory and voluntary agencies, prepared by the Advisory Councils on Child Care for England and Wales and for Scotland.	HMSO, 5s
Powers of Arrest and Search in Relation to Drug Offences. Report of a sub-committee of the Advisory Committee on Drug Dependence [see 31.1.69 p. 146]. A majority of the sub-committee considers that police powers to stop and search people in connection with suspected drug offences	HMSO, 7s 6d

should be retained. But particular modes of dress or hair style should not constitute reasonable grounds to stop and search.

British Museum– A Guide to its Public Services. Second edition, 1970.	HMSO, 10s 6d
Advisory Council on Social Work: Scotland An Advisory Council on Social Work is to be set up in Scotland under the Social Work (Scotland) Act to advise the Secretary of State on the social welfare functions of central and local government and of voluntary organisations Professor James Drever, Principal and Vice-Chancellor of Dundee University, has been appointed chairman	Press release Social Work Services Group, Edinburgh 4 5 70
Television and Delinquency, by J D. Halloran, R I Brown and D. C. Chaney. Working Paper No 3 of the Television Research Committee (see pp. 556-8)	Leicester University Press, 30s

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Contents

United Kingdom Parliament

PROROGATION AND DISSOLUTION OF PARLIAMENT

The United Kingdom Parliament was prorogued[1] and subsequently dissolved on 29th May. The following is the text of the Queen's prorogation speech, which was delivered to both Houses by the Lord Chancellor (who is one of the Lords Commissioners), and read to the House of Commons by the Speaker. For further information see the issues of Survey to which marginal references are provided.

My Lords and Members of the House of Commons

My Husband and I and The Princess Anne had the great pleasure of visiting New Zealand and Australia and of attending the Cook Bicentenary Celebrations in both countries. We were also very pleased to visit Fiji and Tonga. The Prince of Wales was able to accompany us to New Zealand and on part of our tour to Australia.

My Government have maintained their application for membership of the European Communities, and negotiations to this end are likely to open shortly. — 10 4 70 pp. 352-5

My Ministers have made a full contribution to the North Atlantic Alliance, which is the foundation of our security, and have sought to develop better understanding between East and West. — 27 3 70 pp. 291-304; This issue p. 575-81

My Government have continued to play an active part in the disarmament negotiations and have followed up with vigour their proposals for a complete ban on biological methods of warfare. They welcome the entry into force of the Treaty on the Non-Proliferation of Nuclear Weapons. — 5 6 70 pp. 535-8; 27 3 70 pp. 304-5

My Government have urgently pursued their efforts to promote through the United Nations a settlement to the dispute between the Arab States and Israel, and have continued their efforts to help bring peace to the countries of Indo-China. — 13 3 70 pp. 263-9; 22 5 70 pp. 496-500

My Government welcomed the end of hostilities in Nigeria, and have made a substantial contribution to post war relief and rehabilitation. — 27 2.70 pp. 195-200

[1] A session of Parliament is always terminated by prorogation, exercised by royal prerogative, and signified by an announcement by Lords Commissioners appointed by the Queen for that purpose. If Parliament is sitting when dissolution is contemplated, it is usually first prorogued and immediately afterwards dissolved, but if dissolution is determined on during the recess, a considerable interval may elapse between prorogation and dissolution. Dissolution is by proclamation, and the same proclamation that dissolves one Parliament calls another, and gives the date and place of its meeting.

My Government have welcomed the condemnation by the Security Council of the latest racialist policies of the illegal regime in Southern Rhodesia. They have worked to make existing economic sanctions more effective.	10.4.70 p. 347
My Government welcomed the peaceful settlement, through the good offices of the Secretary-General of the United Nations, of the long-standing difference with the Imperial Iranian Government over Bahrain.	22.5.70 p. 490
New Constitutions have been introduced in the British Solomon Islands Protectorate and the Seychelles. Tonga will cease to be a Protected State on 4th June and My Government look forward to welcoming her as a Commonwealth partner.	27.3.70 pp. 305-6 5.6.70 pp. 559-60
In this twenty-fifth anniversary year of the United Nations My Government is taking a leading part in promoting its work.	10.4.70 pp. 340-6 22.5.70 pp. 488-91
My Government have announced substantial increases in overseas aid for the next three years.	2.1.70 pp. 31-6 8.5.70 pp. 466-71
My Ministers have continued their efforts to promote peace and harmony in Northern Ireland. Acts have been passed to establish the Ulster Defence Regiment and to enable police forces in Great Britain to be more closely associated with the Royal Ulster Constabulary.	16.1.70 p. 81

Members of the House of Commons

I thank you for the provision which you have made for the public services.

My Lords and Members of the House of Commons

My Government have pursued successful policies to strengthen the economy and the balance of payments so as to provide the basis for sustained and accelerating growth in conditions of high employment. A large surplus in the balance of payments has been achieved and external indebtedness has been greatly reduced.	8.5.70 pp. 449-61
My Government have continued to work with other Governments to improve the international monetary system.	24.10.69 p. 953
A statement has been presented to you on My Government's future plans for public expenditure.	2.1.70 pp. 18-22
The pay structure of My Armed Forces has been radically revised to give proper recognition to their qualifications and responsibilities.	27.3.70 p. 291 (footnote)
An Act has been passed providing for equal pay for men and women.	27.2.70 pp. 218-20
My Government have proposed major reforms to modernise industrial relations.	
Legislation was introduced to establish a Commission for Industry and Manpower to take over and develop the work of the National Board for Prices and Incomes and the Monopolies Commission.	2.1.70 p. 14

A Bill was introduced to make certain reforms relating to industrial safety and health and an inquiry into all aspects of the subject has been set up.	13.3.70 pp. 274-6
Acts have been passed to promote greater safety and improved living conditions for those serving in the Merchant Navy and fishing fleets.	2.1.70 pp. 28-30
An Act has been passed to assist the film industry.	This issue pp. 585-6
Regional economic development has been further encouraged, especially in the development areas, and legislation has been passed to assist intermediate areas and to encourage the speedy clearance of derelict land.	27.3.70 pp. 310-12 22.5.70 p. 515
Bills were introduced to reorganise the electricity supply industry and the gas industry, and to enable the Gas Council to search for, market and refine petroleum.	
A Bill was introduced to continue the Government's powers to assist the coal industry.	
Legislation was brought forward to raise the limit on guarantees under the Shipbuilding Credit Scheme.	
A Bill was introduced to transfer the nuclear fuel and radio chemical business of the United Kingdom Atomic Energy Authority to Government-controlled companies.	30.1.70 p. 112
A Bill to reorganise the ports was presented to you.	16.1.70 pp. 66-8
My Government have published plans for the future strategy for inter-urban roads in England.	This issue p. 586
My Government have continued to encourage the selective expansion of home agriculture. An Act has been passed introducing new arrangements for the marketing of eggs and rationalising the grants payable to assist fixed capital investment in agriculture.	21.11.69 pp. 1041-2
My Government have continued to take steps to restrain increases in food prices and to promote the safety of food for the consumer.	
My Government have brought forward a measure to provide strong, comprehensive and flexible powers to control the availability of dangerous drugs and to check their misuse.	24.4.70 p. 431
A Bill was presented to advance further the reorganisation of secondary education on comprehensive lines. Progress has been made in replacing old schools, increasing the numbers of qualified teachers and reducing over-sized classes.	27.2.70 pp. 226-8
The expansion of higher education has continued, and student places provided have far exceeded the forecasts of the Robbins Committee on Higher Education.	
My Government have announced further proposals to intensify the fight against the pollution of the environment, and measures were introduced to reduce aircraft noise and to discourage pollution of the sea by oil. I have appointed a Commission on Environmental Pollution.	2.1.70 pp. 22-3 This issue pp. 588-90
My Government have put forward proposals to reform local government in England and Wales.	13.2.70 p. 137 10.4.70 p. 337

An Act has been passed to limit increases in rents of local authority and private tenants. Assistance to home buyers under the option mortage scheme has been increased, and other measures have been taken to provide more and better homes. Orders have been made to raise the income limits which govern the entitlement to rate rebate. 2.1.70 p. 42; 21.11.69 p. 1054; This issue p. 594

Proposals for controlling labour-only sub-contracting in the construction industry were laid before you.

An Act has been passed to reorganise local authority personal social services. New proposals have been made for the future administration of the National Health Service in England and in Wales. 27.3.70 p. 316; 27.3.70 p. 322; 10.4.70 p. 338

Improvements in existing health and welfare services have continued, with special emphasis on hospitals for the mentally handicapped and other long-stay patients.

Proposals have been put before you for new schemes of national superannuation and social insurance based on earnings-related contributions. 30.1.70 p. 123

My Government have taken steps to make further improvements in the levels of benefits provided under the Supplementary Benefits Scheme. 5.6.70 p. 561

Legislation has been passed to reform the feudal system in Scotland and the Scottish law of heritable conveyancing.

An Act has been passed to modernise the law relating to the construction of highways in Scotland.

An Act has been passed to reconstitute the High Court with a Family Division, to extend the power to dispense with the holding of assizes and to improve the arrangements for the recovery of civil debts. 27.2.70 pp. 193-4

Further advances have been made in the reform of the law. Legislation has been passed to extend the powers of the courts to make financial provision in matrimonial disputes and to give effect to various proposals of the Law Commission. 13.2.70 p. 186

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may attend you.

ROYAL ASSENT TO BILLS

The following Bills received the Royal Assent on 29th May

Administration of Justice [see 27.2.70 pp. 193-4. The provision that judges of the new Commercial Court should in certain circumstances be able to conduct proceedings in private was deleted during the Bill's passage through the House of Commons].

Agriculture [see 21.11.69 pp. 1041-2].

Building (Scotland).

Chronically Sick and Disabled Persons [see 2.1.70 p. 39].

Conservation of Seals.

Consolidated Fund (Appropriation).

Conveyancing and Feudal Reform (Scotland).

Equal Pay. The Act comes into operation on 29th December 1975 [see 27.2.70 pp. 218-20].

Films (see pp. 585-6).

Finance.

Fishing Vessels (Safety Provisions).

Indecent Advertisements (Amendment).

Law Reform (Miscellaneous Provisions) [see 2.1.70 p. 41].

Local Authorities (Goods and Services) [see 2.1.70 p. 41].

Local Authority Social Services [see 27.3.70 p. 322].

Local Government (Footpaths and Open Spaces) (Scotland).

Marriage (Registrar-General's Licence) [see 27.2.70 p. 239—Licensing of Marriages on Unlicensed Premises Bill, the Bill's title was changed during its passage through Parliament].

Matrimonial Proceedings and Property [see 13.2.70 p. 186].

Merchant Shipping [see 2.1.70 pp. 28-30].

Parish Councils and Burial Authorities (Miscellaneous Provisions).

Radiological Protection.

Republic of The Gambia [see 22.5.70 pp. 492-3].

Riding Establishments.

Trees.

UNCOMPLETED BUSINESS

The effect of prorogation is immediately to terminate all business (with minor exceptions) until Parliament is again assembled. This means that any uncompleted Bills must be re-introduced in the next session or the next Parliament unless it is decided that they should be abandoned. Government Bills which had not received Royal Assent by 29th May were:

Animals

Atomic Energy Authority

Coal Industry

Commission for Industry and Manpower

Construction Industry Contracts

Diplomatic Privileges and International Organisation

Education

Education (Miscellaneous Provisions)

Electricity

Employed Persons (Health and Safety)

Explosions

Friendly Societies

Gas

Hare Coursing

Hospital Endowments (Scotland)

Industrial Relations

Industrial Training

International Monetary Fund

Mines Management

Misuse of Drugs

National Superannuation and Social Insurance

Oil in Navigable Waters

Ports

Shipbuilding Industry

Teaching Council (Scotland)

Other Bills—those introduced by Private Members—outstanding were:

- Agricultural Holdings (Scotland)
- Amusement Arcades (Regulations)
- Anti-Discrimination
- Carriage of Goods by Sea (Amendment)
- Children and Young Persons Act 1963 (Amendment)
- Cigarettes (Health Hazards)
- Council Tenants Charter
- Criminal Justice Amendment
- Development of Fishing (Scotland)
- Disabled Persons (Industrial Training)
- Equal Pay
- Fifty-Pence Coin Withdrawal
- Government of Scotland
- Hospital Sweepstakes
- House-builders Insurance
- Inertia Selling
- Labelling of Food and Toilet Preparations
- Local Government (Rents and Rates)
- Noise
- Official Secrets Act (Amendment)
- Pawnbrokers
- Pet Animals Act 1951 (Amendment)
- Pilot Ladders (Safety)
- Race Relations Acts Repeal
- Road Traffic (Amendment)
- Sale of Tickets (Offences) (No. 2)
- Sunday Entertainments
- Town and Country Planning Appeals (Amendment) (Scotland)
- Trade Unions

Reassembly of Parliament

The new Parliament will be opened by the Queen on 2nd July at 11.30 a.m.

Northern Ireland

REORGANISATION OF ROYAL ULSTER CONSTABULARY

The adoption on 15th June of a new structure for Northern Ireland's police force (the Royal Ulster Constabulary—RUC), which brings it into line with other police forces in the United Kingdom and will enable it to give a more improved service to the public, was announced by the Inspector General, Sir Arthur Young, on 28th May.

In the new structure the 34 existing police districts become 16 divisions, each identified by a letter of the alphabet and directed by a commander and a deputy commander, who have full responsibility for the area under their control. In addition there are support headquarters at four strategic centres in the country, which provide specialist 'back-up' services and are shared by a number of divisions.

Changes in the rank structure, which becomes similar to that in other United Kingdom police forces, have also been made. The Inspector General becomes chief constable and his deputy becomes deputy chief constable. The commissioner for the city of Belfast is now assistant chief constable, and county inspectors and first-class district inspectors are chief superintendents. District inspectors are superintendents, and head constables inspectors. The designation of the lower ranks remains unchanged.

North Atlantic Treaty Organisation

MINISTERIAL MEETING

The North Atlantic Treaty Organisation (NATO), at a ministerial meeting of the council in Rome on 26th and 27th May, took a further initiative towards negotiations for the improvement of East-West relations in Europe (see 16.1.70 p. 57). The council accepted a proposal made by Mr. Stewart, Secretary of State for Foreign and Commonwealth Affairs, and supported by the Belgian Foreign Minister, M. Pierre Harmel, that the Alliance should initiate multilateral exploratory talks with interested parties to examine the subjects and method for substantive negotiations and the response of other parties to this initiative. The communique issued after the meeting stated that the members of NATO were ready 'to multiply exploratory conversations with all interested parties on all questions affecting peace'. If there were progress in these conversations in diplomatic channels and in the series of existing negotiations (for example, those between the two parts of Germany and the four-Power talks on Berlin), the NATO governments would be ready to enter into multilateral contacts with all interested parties.

In a statement at the end of the meeting Mr. Stewart described it as 'very significant. ... We have long talked about an era of negotiation and we have now defined ... the practical steps which could make this possible.' He went on to explain the implications of the communique: 'We proposed an approach to all the countries of Europe not members of NATO, that is to say both the countries of the Warsaw Pact and the neutrals, to see whether they are ready to meet us multilaterally, not on a *bloc* to *bloc* basis but as individual countries. The purpose of such a multilateral meeting would be to identify the matters which should be subjects for negotiation and the method of negotiation. . . . The communique mentioned more than one possibility or method: conference, a series of conferences, and a permanent body is mentioned as one method that should be considered among others. One cannot say now whether such a multilateral meeting will be held. It will depend on the answers we get to our approach and the progress made in the talks now proceeding, particularly those on Germany and Berlin. But we are very ready for talks on matters of substance, for real negotiation. We wish also to enter into talks on mutual and balanced force reductions. This is a definite forward step by the countries of our Alliance, and I hope it will meet with a forthcoming response from all countries, whether neutral or in the Warsaw Pact, to whom it is addressed.'

The council, having examined a report on the subject, also issued a further declaration on mutual and balanced force reductions in Europe (see 19.7.68 p. 667), inviting 'interested parties' to hold exploratory talks, and indicating the considerations the Alliance would put forward in such talks—that mutual force reductions should be compatible with security interests and not operate to the military disadvantage of either side, and that reductions should be on a basis of reciprocity, phased and balanced in their scope and timing and including stationed and indigenous forces and their weapons systems, with adequate verification and controls to ensure the observance of agreements.

The Ministers had examined a report on the situation in the Mediterranean, and reviewed the progress of existing East-West contacts and negotiations. The latter were also the subject of a meeting on 25th May between the Foreign Ministers of the three Western Powers with responsibilities for Berlin—Britain, the United States and France—and Herr Scheel, the Federal German Foreign Minister. On this occasion Mr. Stewart gave a review of the four-Power (the three Western Powers and the Soviet Union) talks on Berlin, which opened on 26th March [see 10.4.70 p. 358] and are concerned with improving the situation there. Herr Scheel in turn described progress in the Federal Republic's talks with the Soviet Union, Poland and the East German authorities [see 10.4.70 p. 358]. A second meeting between Herr Brandt, the Federal Chancellor, and Herr Stoph, the East German Prime Minister took place on 21st May at Kassel in the Federal Republic.

Communiqué

The following is the text of the communique issued after the ministerial council meeting (side headings added), together with the declaration issued with the communique.

European Security

1. The North Atlantic Council meeting in ministerial session in Rome on 26th and 27th May 1970, reaffirmed that the Alliance remains indispensable to the security of its members and makes possible their common search for progress towards a more stable relationship between East and West in which outstanding issues dividing Europe can be resolved.

2. Ministers again stated their determination to resolve these problems through a process of negotiation. They recognised that for their part this search for peace must rest upon a spirit of genuine partnership, the maintenance of the defensive strength of the Alliance and the practice of full and timely consultation.

3. Ministers agreed that it will not be enough to talk of European security in the abstract. The causes of insecurity in Europe are specific: they are deeply rooted in conflicting perceptions of state interests, and their elimination will require patient endeavour. However, the Allies, for their part, remain willing to negotiate, in a suitable forum, those concrete issues whose resolution would enhance the security of Europe. The success of efforts to pursue genuine relaxation of tension will be a test of the willingness of all interested countries to deal meaningfully with real issues of security.

4. Ministers affirmed that to endure, peace must rest upon universal respect for the sovereign equality, political independence and territorial integrity of each European state, regardless of its political or social system, and for the right of its peoples to shape their own destinies, free of the threat of external intervention, coercion or constraint.

The Mediterranean

5. Ministers, recalling their earlier statements on the subject, examined and approved a report on the situation in the Mediterranean, prepared by the Council in Permanent Session, which they had requested in their meeting of December 1969. Having regard to the conclusions presented in this report, they found reason to reaffirm their concern with regard to the situation in the area. They stressed again the importance of full and frequent consultation among the Allies on this question and the necessity for continued vigilance. They instructed the Council in Permanent Session to continue

their close review of the developing situation in the Mediterranean and to report fully thereon to Ministers.

East-West Relations

6. At their April 1969 meeting in Washington, Ministers agreed to explore with the Soviet Union and the other countries of Eastern Europe which concrete issues best lend themselves to fruitful negotiations in order to reduce tension and promote co-operation in Europe and to take constructive actions to this end. The Council thereafter conducted a detailed study of those issues, and at their meeting in December 1969, Ministers declared that Allied Governments would continue and intensify their contacts, discussions or negotiations through all appropriate channels, bilateral or multilateral, and that they remained receptive to signs of willingness on the part of the Soviet Union and other Eastern European countries to engage in such discussions. Progress, they said, in these discussions and negotiations would help to ensure the success of any eventual conference in which, of course, the North American members of the Alliance would participate, to discuss and negotiate substantial problems of co-operation and security in Europe.

7. Ministers expressed satisfaction over the launching or continuation of the wide range of talks and negotiations initiated by members of the Alliance, which they have been actively promoting during the six months since December 1969. At the same time numerous other East-West contacts have been pursued. The Allies have consulted and will continue to consult closely on all these initiatives and contacts.

8. With the support and understanding of its Allies, the Federal Republic of Germany has initiated talks with the Soviet Union, Poland and German Democratic Republic in order to improve the situation in central Europe. The Allies consider this to be encouraging. They express the hope that these talks will yield results and will not be compromised by the presentation of unacceptable demands. The efforts being made to solve outstanding problems and to achieve a *modus vivendi* in Germany which would take account of the special features of the German situation, represent an important contribution to security and co-operation in Europe. The Ministers express the hope that all governments desiring to contribute to a policy of relaxation of tension in Europe will, to the extent possible, facilitate a negotiated settlement of the relationship between the two parts of Germany and the development of communications between their populations.

Berlin

9. Ministers noted with satisfaction that the four Powers, in the framework of their rights and responsibilities for Berlin and Germany as a whole, began discussions on 26th March about improving the situation with regard to Berlin and free access to the city. They express the hope that the difficulties which exist at this specially sensitive point of the East-West relationship could be overcome by practical measures and that Berlin would be enabled to make its full contribution to economic and cultural exchanges.

Arms Control and Disarmament

10. The conversations between the United States and the Soviet Union aiming at the limitation of strategic armaments, which began last November at Helsinki, have been continued at Vienna in April. Ministers welcome these talks, the outcome of which is so important for the security of Europe and the future of humanity.

11. On the occasion of the coming into force of the Non-Proliferation Traety, Ministers re-emphasised the importance they attach to limiting the spread of nuclear weapons as well as to measures for genuine nuclear disarmament They noted with interest the efforts now under way to exclude mass destruction weapons from the sea bed and to deal with the problem of control of biological and chemical weapons They expressed the hope that further progress on disarmament measures, with appropriate safeguards, can reduce the arms burdens borne by all

Mutual Force Reductions

12 The members of the North Atlantic Alliance have, over a number of years proclaimed their interest in arms control and disarmament measures which facilitate a gradual elimination of the military confrontation in Europe Ministers recalled the declarations issued at Reykjavik in 1968 and at Brussels in 1969 They noted that up to now these declarations had led to no meaningful reply

13 The Allies have nevertheless carried out intensive studies on mutual force reductions in accordance with the directions given by Ministers in December 196[illegible] Ministers examined the detailed report presented to them by the North Atlantic Council in Permanent Sessions This has been of great value in clarifying the complex issues involved Ministers gave instructions for further relevant studies which would [illegible] policies and explorations in this field

Exploring Future Possibilities

14 Ministers, having examined all these developments both positive and negati[illegible] and having taken note of the report on the procedures for negotiation which they [illegible] commissioned from the Permanent Council stated that they were ready to hold [illegible] exploratory conversations with all interested parties on all questions affecting pea[illegible]

15 In so far as progress is recorded as a result of these talks and in the on[illegible] talks— in particular on Germany and Berlin the Allied Governments state that [illegible] would be ready to enter into multilateral contacts with all interested governme[illegible] One of the main purposes of such contacts would be to explore when it will be possi[illegible] to convene a conference or a series of conferences on European security and [illegible] operation The establishment of a permanent body could be envisaged as one [illegible] among others, of embarking upon multilateral negotiations in due course

16 Among the subjects to be explored affecting security and co-operation [illegible] Europe, are included in particular

(a) the principles which should govern relations between states [illegible] renunciation of force

(b) the development of international relations with a view to contributing t[illegible] freer movement of people, ideas and information and to developing co-opera[illegible] in the cultural, economic technical and scientific fields as well as in the [illegible] of human environment

17. In addition, Ministers representing countries participating in NAT[illegible] integrated defence programme attach particular importance to further explora[illegible] with other interested parties of the possibility of mutual and balanced force reduct[illegible] and have therefore issued a declaration on this subject

18 As a first step, Ministers requested the Foreign Minister of Italy to trans[illegible] this communiqué on their behalf through diplomatic channels to all other inter[illegible] parties including neutral and non-aligned governments They further agreed [illegible] member governments would seek reactions of other governments to the initiation of the comprehensive programme of exploration and negotiation which they envisage

Committee on the Challenges of Modern Society

19. Ministers reviewed the first report from NATO's Committee on the Challenges of Modern Society and welcomed the progress made in the six months since the committee was established as a demonstration of the value of Allied co-operation on the urgent problems of human environment. Intensive studies now in progress will contribute to national and international action on a broad range of environmental issues, including such pressing concerns as air and water pollution.

20. Ministers reaffirmed the view that the benefit of the Alliance's work in improving the environment particularly could become a basis for broader co-operations between East and West in this field of ever-increasing importance. They considered that this could be ensured either through existing international organisations providing a useful framework for enhanced co-operations or by any other appropriate method.

Declaration on Mutual and Balanced Force Reductions

1. Meeting at Rome on 26th and 27th May 1970, the Ministers representing countries participating in NATO's Integrated Defence Programme, recall and reaffirm the commitment of their nations to pursue effective policies directed towards a greater relaxation of tensions in Europe, envisaging a just and durable peace. They recall, in particular, the invitation they issued in Reykjavik and addressed to the Soviet Union and other countries of Eastern Europe to join in discussing the possibility of mutual and balanced force reductions.

2. The objective of the work on which their representatives have been engaged has been to prepare a realistic basis for active explorations between the interested parties at an early date and thereby to establish whether it could serve as a starting point for fruitful negotiation. Such exploratory talks would assist those concerned in developing the criteria and objectives for substantive negotiations to follow at an appropriate stage in a forum to be determined. They would also provide tangible evidence of the readiness to build confidence between East and West.

3. Ministers invite interested states to hold exploratory talks on mutual and balanced force reductions in Europe, with special reference to the Central Region. They agree that in such talks the Allies would put forward the following considerations:

(a) Mutual force reductions should be compatible with the vital security interests of the Alliance and should not operate to the military disadvantage of either side having regard for the differences arising from geographical and other considerations.

(b) Reductions should be on a basis of reciprocity, and phased and balanced as to their scope and timing.

(c) Reductions should include stationed and indigenous forces and their weapons systems in the area concerned.

(d) There must be adequate verification and controls to ensure the observance of agreements on mutual and balanced force reductions.

4. As a first step, Ministers requested the Foreign Minister of Italy to transmit this Declaration on their behalf through diplomatic channels to all other interested parties including neutral and non-aligned governments. They further agreed that in the course of their normal bilateral and other contacts member governments would seek to obtain the responses and reactions of other governments. Members of the Alliance will consult further regarding the outcome of their soundings with a view to enabling the Alliance to determine what further individual or joint exploration might be useful.

SPEECH BY MR. STEWART

A speech by Mr. Stewart at Redhill (near London) on 29th May gave further detail to the latest Western proposal. Progress in the improvement of East-West relations could not be easy or rapid, but there were already some grounds for hope—for example, the entry into force of the Non-Proliferation Treaty [see 27.3.70 pp. 304-5], the strategic arms limitation talks between the United States and the Soviet Union [see 5.6.70 pp. 533-4], the four-Power talks on Berlin, and the discussions between the Federal Republic of Germany and the Soviet Union, Poland and East Germany. This latter policy, which had the full support of the British Government, could, Mr. Stewart said, 'greatly change for the better the whole complexion of the German problem'.[1]

In view of all this the British Government felt that further steps should be made towards conciliation, and the British and Belgian proposal for such a move had been accepted by the NATO countries who were now 'sending a message to all the countries of Europe saying that if they are willing and progress is made in the talks now going on, we would like a meeting—for example a meeting in some neutral city of the ambassadors there of all the countries of Europe and of the United States and Canada. That meeting could work on what are the subjects to be negotiated and what is the best means of dealing with them—for example, it might be a formal conference of all these countries on European security, or a series of conferences, or it might be, as Britain has suggested, a permanent body or standing commission to deal with relations between East and West'.

It was hoped that there might be agreement on such topics as the renunciation of the use or threat of force, for the extension between all countries of trade, the movement of people and scientific and cultural contacts [for the topics suggested by the Warsaw Pact countries for discussion at a European security conference, see 21.11.69 p. 1036], for a balanced reduction of forces and the establishment of an agreed code of conduct in European relations. 'What we must earnestly hope for is a forthcoming response to the real advance which has now been made and for which British policy may fairly claim an honourable share of the credit.'

On 1st June Mr. Stewart met the Soviet Ambassador in London to discuss the latest Western proposals. It is understood that the Foreign Secretary will have a series of meetings with the Ambassadors of Warsaw Pact and neutral countries.

COMMITTEE ON THE CHALLENGES OF MODERN SOCIETY

The ministerial council also reviewed the first report of the Committee on the Challenges of Modern Society (CCMS). Since its establishment in November 1969 [see 21.11.69 p. 1037] the committee, which has as its scope not only environmental but also social problems, has held two meetings—on 8th-10th December and 13th-14th April—and is well advanced in its work. At the first meeting the committee selected a number of 'pilot studies'—on such questions as air and water pollution, road safety and disaster assistance—which were accepted by the council, in permanent session, on 28th January. Basically one or two member countries are responsible for a pilot study, with the work directed not towards new research but towards the consideration, on the basis of existing studies, of the question of government policy formulation and legislation, to fulfil the committee's objective of stimulating action by member

[1] See COI reference pamphlet *Berlin and the Problem of German Re-unification*, R.F.P. 5869.

governments [see 16.1.70 p. 55]. The planned procedure is that the pilot country of a given study will submit a report leading to recommendations these will be discussed by the CCMS which may, in turn, decide to recommend their adoption by the council. The council may then propose to governments that they take the necessary measures to ensure concerted international action.

Committees's Second Meeting

At the second meeting the committee heard progress reports on the pilot projects. The pilot nations have already organised several meetings of appropriate experts, including one in America on air pollution, another in Rome on disaster assistance programmes and a third in Brussels on road safety. The committee has also worked to establish relations with other international organisations such as the Council of Europe and the Organisation for Economic Co-operation and Development engaged in the environment field, to reduce the risk of unnecessary duplication and ensure the greatest possible co-ordination of work. As the present communique (see p. 579) points out, the CCMS's work could also facilitate broader co-operation between East and West in the environmental field. The committee's meetings are open and its documentation will be available to countries outside the organisation.

Speeches at Inaugural Meeting

Several speeches at the [illegible] inaugural meeting had stressed the relevance of the Alliance [illegible] Signor Manlio Brosio, NATO Secretary General, spoke of [illegible] North Atlantic Alliance as a flexible body [illegible] to the needs of its member countries [illegible]. Moreover during its 20 years of experience, NATO has been developing a capacity perhaps unique in the international field [illegible] exchanging but also for making practical use of technological, scientific and [illegible] information. It should then be natural [illegible] this experience [illegible] which hopefully [illegible] national [illegible] action.

British Representative

Dr. A. H. Cottrell (Deputy Chief Scientific Adviser to the British Government) [illegible] that NATO's relevance [illegible] modern society should be made clear, [illegible] demonstrate to all peoples in the Alliance that NATO not only provides a [illegible] for our defence but can also contribute to the further development of [illegible] society as a society worth defending. The question of the quality of the environment and all the things that arise from that is something which has become a matter of great concern and interest to my Government," as indicated [illegible] the recent appointment of a Secretary of State for Local Government and Regional Planning [see 24.10.69 p. 92?], who has been given special responsibility [illegible] environmental questions. In supporting the committee we have been fully aware of the various other international organisations which are beginning to work in the same field. Nevertheless we do feel [illegible] that there is a real scope [illegible] this committee to play its role in this work and the key point [illegible] [is] [illegible] NATO is an action body in much of this environmental field the big need [illegible] for more research but for [illegible] action by governments. [illegible] And this [illegible] why NATO is such an important and appropriate body for handling these problems. Because of its general political and military purpose it has high level points of contact with the men in governments and it is through these points of contact that it can exert its efforts to meet all these challenges for our modern environment."

The next meeting of the CCMS is planned for 19th and 20th October.

Fiji Independence Conference

The Fiji constitutional conference was held in Marlborough House, London from 20th April to 5th May and was attended by members of the British Government and the members of the Fiji Legislative Council. Its purpose was to establish the principles on which full independence for Fiji would be based. Agreement was also reached on the date of independence — 10th October 1970 (the ninety-sixth anniversary of the signing of the Deed of Cession of Fiji to Queen Victoria) subject to the endorsement of the conference report by the Legislative Council of Fiji and the British Parliament. The Fiji delegation informed the conference that it was their intention that Fiji would apply for membership of the Commonwealth.

The present constitution came into operation in November 1966 after general election in which the Alliance Party emerged as the strongest grou [see 11.11.66 p. 1136]. Because of the composition of the population of Fiji with the immigrant Indian community now outnumbering the indigenous Fijians, there have been strong differences of opinion over the question of representation. The Fijians resisted the demands of the Indians for a common voting roll, in favour of a communal system, and the constitutional conference of 1965 devised a system of election to the Legislative Council based partly on communal rolls and partly on cross-voting. Out of a council of 40 members, nine Fijian, nine Indian and seven General (European and Chinese) members were elected on communal rolls, and three Fijian, three Indian and three General members were elected on cross-voting rolls under which people of all races voted together. Two Fijian members were elected by the Council of Chiefs and there were four *ex officio* members. In August 1969 representatives of the Alliance Party (a multi-racial group of organisations) and the National Federation Party (which is mainly Indian), began discussions to consider further constitutional changes and to reach agreement over the constitutional status they envisaged for Fiji. The National Federation Party envisaged Fiji as an independent state with an elected President as Head of State, but a member of the Commonwealth; the Alliance Party favoured "Dominion status". Agreement was eventually reached on the latter, i.e. that Fiji should become an independent state with the Queen as Head of State and seek membership of the Commonwealth. The parties decided that Fiji should proceed to independence as soon as constitutional instruments could be drawn up after a constitutional conference. There should be no election before independence.

The Minister of State for Foreign and Commonwealth Affairs, Lord Shepherd, visited Fiji from 26th January to 2nd February 1970 for talks on proposed constitutional changes. He found a wide area of agreement between the parties and in view of this it was decided that a constitutional conference should be convened in London in April, with the object of completing arrangements for the independence of Fiji. Up to the time of the conference the parties were to consider outstanding problems, in particular the composition of the legislature and method of election. Discussions continued on these issues which had been the major obstacles to agreement on a new constitution. The Alliance Party recognised that election on a common roll basis was a desirable long-term objective, but could not agree to its introduction at the present stage. On the other hand, the National Federation Party felt that the common roll could be introduced immediately and could form the basis of the next general elections, without in any way resulting in one race dominating others. On April, in the course of the conference in London, the Chief Minister, Ratu Sir Kamisese Mara, announced that agreement had been reached on an interim solution. The Government would be called upon to extend the common roll to all elections in towns and townships, particularly Suva and Lautoka, immediately. After the next general election a Royal Commission should be set up to recommend the most appropriate method of election and representation

in Fiji, the terms of reference to be agreed by the Prime Minister and the Le[illegible] of the Opposition. Agreement was also reached about the composition of [illegible]gislature.

In his opening speech at the conference, Lord Shepherd described [illegible] meeting as the "culmination of nearly a century of partnership between [illegible] peoples." In those years Fiji had "developed [illegible] democratic institution[illegible] [illegible] healthy economy and high social and educational standards." [illegible] Shepherd said that British help, both by [illegible] assistance and cap[illegible] [illegible] would continue to be available [illegible] He also praised [illegible] degree to which Fiji had succeeded [illegible] problems arising f[illegible] [illegible] multiracial population. [illegible] the Chief Min[illegible] and the Leader of the Opposition, Mr S. M. Ko[illegible]

The Independence Constitution

[illegible]

[illegible]

[illegible]

[illegible]

Upon independence the [illegible] will become the House of Representatives [illegible] last sitting of the present [illegible] November 1970 and a ge[illegible] will be held for the 52 members of the House of Representatives [illegible] elected on the following basis:

(a) 12 members elected by [illegible] members elected by voter[illegible] on the Fijian Communal [illegible] National Roll

[illegible] National Roll would [illegible] rolls

Indian:	12 members elected by voters on the Indian Communal Roll	10 members elected by voters on the National Roll
General[1]:	3 members elected by voters on the General Communal Roll	5 members elected by voters on the National Roll

The House will elect a Speaker and a Deputy Speaker from among its non-ministerial members.

Before elections an appointed Constituency Boundaries Commission will delimit the constituency boundaries. Fiji will be divided into 12 constituencies each returning one communally elected Fijian member, into 12 constituencies each returning one communally elected Indian member, and into 3 constituencies each returning one communally elected General member. For the National Roll elections there will be 10 constituencies each returning a Fijian and an Indian member and these will be combined into 5 pairs for the purpose of each returning one General member.

The official language of Parliament will be English but there will be provision that any member may address the Chair in Fijian or Hindustani.

The Cabinet will consist of the Prime Minister, the Attorney-General and any other Ministers the Governor-General may appoint on the advice of the Prime Minister. The Governor-General will also be required to appoint as Leader of the Opposition in the House of Representatives either the leader of the largest opposition party or, if there is no such party, the person whose appointment would be most acceptable to the leaders in the House of opposition parties.

Ombudsman

The constitution will establish the office of Ombudsman who will [illegible] appointed by the Governor-General after consultation with the Prime Minister, the Leader of the Opposition and any other leaders of parties in the H[illegible] of Representatives. He will hold office for a term of four years. His jurisdiction will include the investigation of complaints regarding the acts, omissions, decisions and recommendations of specified public bodies and officers affec[illegible] the interests of individuals or bodies.

The Public Service

The conference agreed that the existing constitution should be ame[illegible] so as to establish executive Service Commissions three months before [illegible]pendence. The Public Service, Judicial and Legal Services and Police Se[illegible] Commissions are at present only advisory to the Governor and their p[illegible] will become those at present exercised by the Governor after consultation [illegible] the corresponding commission.

[1] 'General' means persons who are neither Fijian nor Indian as defined in the present [illegible]

Films Act 1970

ASSISTANCE TO FILM INDUSTRY CONTINUED

The Films Act 1970 received the Royal Assent on 29th May. Introducing the second reading of the Bill on 2nd February (*Hansard* cols 76-143), the Parliamentary Secretary to the Board of Trade, Mrs Gwyneth Dunwoody, explained that its main purpose was to extend for a further ten years (until the end of 1980) the present legislation under which the Government has been helping the British film industry.

The main instrument was the 1927 Act which required exhibitors to give a minimum proportion of their screen time to the showing of British films. The proportion was prescribed by the Board of Trade and an Order varying the percentage required the approval of each House of Parliament. The percentages of 30 for first feature films and 25 for supporting programmes have remained unchanged since 1950. These quotas had regularly been exceeded in practice, with first features averaging 37.7 per cent in the period 1966-68.

The second instrument of support was the British Film Fund, made statutory in 1957, whereby exhibitors paid a small proportion of their box office takings as a fund which was distributed to the producers of British films in proportion to the films' earnings in Britain.

The third instrument was the National Film Finance Corporation, set up in 1949 to lend money to prospective film producers.

Mrs Dunwoody pointed out that the legislation creating the means of government support expired this year and, urging its continuance, called attention to the outstanding record of the British film industry. Films made in Britain had won many prizes at international film festivals and Britain enjoyed a considerable reputation for the quality of its actors and actresses, technicians, producers and musicians. British studios were among the best equipped in the world and had kept abreast of the practical applications of modern technical advances. Despite declining audiences (the level had fallen from 1,600 million attendances per year in the early post-war period to 500 million in 1960 and to 250 million by 1968) about 70 British feature films had been produced for each of the last seven years.

Mrs Dunwoody drew attention to clause 6 of the Bill which would enable the British Film Fund Agency, with the approval of the Board of Trade, to pay an annual grant towards the running costs of a National Film School. Clause 6 also makes a similar provision as regards payment of a modest grant from the levy to the British Film Institute Production Fund which exists to give practical help to new talent and to encourage new ideas in film making.

In discussing the decision to refinance the National Film Finance Corporation, Mrs Dunwoody said that over a period of 20 years the corporation had helped to finance over 700 feature films and that it could therefore rightly claim to have made an important contribution to the revitalisation and growth of the British film industry. Although as much as 90 per cent of investment in British film production in recent years had been supplied by the British subsi-

diaries of the big American companies, the corporation still had an important role to play. There was now an established market for British films overseas and much higher foreign earnings would accrue to this country if a bigger proportion of the films which were successful overseas were financed from domestic sources. The Bill accordingly provided for the continuance of the loan making powers of the corporation for a further ten years and for the loan to the corporation of a further £5 million.

Roads

NEW INTER-URBAN PROGRAMME

A White Paper, *Roads for the Future: The New Inter-Urban Plan for England* (Cmnd. 4369, HMSO, 3s 6d) was issued by the Minister of Transport on 27th May. It gives the definite decisions made following consultations on the tentative proposals put forward in a Green Paper published in March 1969 [see 11.4 p. 341]. Nearly 300 organisations and individuals made comments on the Green Paper proposals.

Background

The White Paper points out that over the past ten years traffic on inter-urban trunk roads and motorways has more than doubled to 21,000 million vehicle miles a year, the biggest increase being accounted for by private cars: there are now well over 11 million and by 1985 there could be 20 million. Rates of growth in car ownership and consequently of traffic are not expected to slacken before 1985. Since 1964 expenditure on road building has doubled to about £1 million a day, motorway mileage in England and Wales doubled to over [illegible] miles, and mileage of all-purpose dual carriageway trunk roads increased to 850 miles. By 1972 there should be 1,000 miles of motorway and over 1,[illegible] miles of all-purpose dual carriageway trunk roads.

The Proposals

The White Paper proposals are aimed at providing over the next 15 to 20 years a comprehensive national network of trunk roads on which congestion will have been virtually eliminated, at a total cost of about £3,400 million. Of this sum, some £2,000 million would be spent on primary roads and the remaining £1,400 million on other trunk roads not down for comprehensive dual carriageway improvement. The White Paper proposals represent an increase of 40 per cent in cost above the original Green Paper suggestions; a number of additional routes have been added. If the outstanding cost of completing existing road schemes is taken into account, over £4,000 million will be spent on inter-urban roads during the period of 15 to 20 years. Achievement of the Government's target would mean a doubling of capacity on inter-urban roads, with an estimated 70 per cent increase in traffic. At the same time the urban road programme will be progressively developed: it is intended that by the end of the 1980s one-half the total spent on all roads will be devoted to urban schemes, as opposed to rather less than 40 per cent at present.

The proposed comprehensive national system of trunk roads, the White Paper states, will make a major contribution to the long-term planning of the economy, and to the planning of regional and industrial development and of the whole physical environment. In selecting routes for new and improved roads full account would be taken of environmental and amenity considerations, including the conservation of historic areas. Road plans would be carefully co-ordinated with local authority development plans.

Immigration Control

SYSTEM OF APPEALS INTRODUCED

[illegible] first stage of the system of appeals provided for in the Immigration Appeals Act 1969 (see 14.2.69 p. 15[illegible]) against decisions taken in the administration of [illegible] control [illegible] began on 1st July. From this date the following groups [illegible] people will have the right of appeal: Commonwealth citizens who have been [illegible] entry certificates overseas; aliens who are refused visas; people who [illegible] [illegible] conditions [illegible] admission or whose applications for [illegible] conditions of admission have been refused; and [illegible] are to be deported [illegible] recommendation of a court.

Rights of appeal for [illegible] seaports and airports [illegible] introduced [illegible] period during summer [illegible] autumn when [illegible] non-statutory [illegible] of appeal against [illegible] conferred on Commonwealth [illegible] with [illegible] entry certificates [illegible] vouchers or special vouchers, [illegible] aliens holding [illegible] work permits.

The statutory [illegible] against refusals of [illegible] expected [illegible] 000 decisions a year or [illegible] per cent of the decisions which [illegible] subject to appeal.

Appellate Authorities

Most appeals [illegible] first instance by adjudicators, who [illegible] independent [illegible] adjudicator's decision [illegible] the Immigration Appeal Tribunal. An appeal by an alien against [illegible] by the Home Secretary [illegible] will go direct to the tribunal [illegible] security [illegible] special panel [illegible]. The Lord Chancellor [illegible] president of the tribunal [illegible] Hilton, a former president of the [illegible] Society who has had experience [illegible] with entry certificate appeals from United Kingdom passport holders [illegible].

[illegible] full-time adjudicators [illegible] appointed, who will sit in central [illegible] Harmondsworth (near London Airport), Gatwick Airport, Newhaven, Southampton, Harwich and Birmingham. In addition, part-time adjudica[illegible] deal with appeals at other [illegible] where the volume of work is [illegible] to be lighter.

Release Pending Hearings

As appeals at the ports are in the first instance to be heard on a non-statutory [illegible] the power of release on bail provided for in the Immigration Appeals [illegible] will not be available to the appellate authorities or to the immigration [illegible]. The immigration service will, however, arrange in suitable cases for [illegible] exercising non-statutory rights of appeal to be released from custody [illegible] the outcome of their appeals.

When detention is necessary the appellants will be accommodated in new quarters at Harmondsworth and Dover

Immigrants' Advisory Service

A group of organisations is co-operating to establish an advisory and welfare service for immigrants to be known as the United Kingdom Immigrants' Advisory Service. The service will have headquarters in London and offices at the main ports as well as in centres of immigrant settlement Its function will be to advise Commonwealth citizens and aliens on exercising their right of appeal and to deal with any welfare problems arising from such cases If an appellant, including anyone who has unsuccessfully applied for an entry certificate or visa overseas, seeks the help of the service in presenting his appeal, it will represent the appellant or assist a relative or friend to present his case on his behalf The governing body of the service is an executive council consisting of one member nominated by each of 14 organisations, which include the Community Relations Commission, the British Council of Churches, the National Council of Social Service, the National Council of Civil Liberties, the Committee on United Kingdom Citizenship, and West Indian, Pakistani and Indian associations

The Protection of the Environment

WHITE PAPER ON CONTROL OF POLLUTION

A White Paper on the control of pollution was published on 28th May (*The Protection of the Environment*. Cmnd 4373, HMSO 3s) Promised at the time of the appointment of the standing Royal Commission on Environmental Pollution [see 2 1.70 p 23], the White Paper is described as a "progress report setting out in broad outline the nature of the problems, the current situation and proposals for government action Further publications will be needed to describe other aspects, such as current research programmes in more detail

Requirements for Control

Control of the quality of the environment, says the White Paper engenders three requirements First, scientific and technological knowledge, especially of ecology—the science of the way animal and vegetable worlds interact—of the technology of pollution control at source Second a framework of economic analysis and economic priorities Third a legal and administrative framework to translate priorities and decisions into action

Recent or Proposed Action

The administrative machinery for controlling pollution has been developed continuously in Britain over the past 120 years. Though much has already been done to limit and control pollution, the White Paper reports on action taken recently or now proposed, to improve the position further. Since October 1969 the Secretary of State for Local Government and Regional Planning, Mr. Anthony Crosland, has co-ordinated government action on pollution (in Scotland and Wales direct responsibility lies with the respective Secretaries of State). He is assisted by a central scientific unit in his office [see 2.1.70 p. 22]

A standing Royal Commission has been set up which provides independent advice to the Government [see 2.1.70 p. 22]. The Government believes that the present penalties for pollution offences are generally too low, and will amend them where necessary.

Air Pollution

Public expenditure on grants to help people in smoke control areas to convert their open grates to smokeless heating systems was £5.1 million in 1969-70 compared with £2.? million in 1964-65. Special measures have been taken to make more smokeless fuel available for the 1970-71 winter. When this temporary difficulty has been overcome the Government will intensify the campaign for cleaner air through smoke control. The Government will shortly introduce limits for the amount of grit and dust that may be emitted from furnace chimneys. It will continue to improve standards of smoke emission from Crown buildings and hospitals. A number of industrial processes will shortly be added to the list of those scheduled under the Alkali Act and the standards required for emissions from all scheduled industries will be raised progressively.

Pollution by Motor Vehicles

The British Standard for smoke emissions from diesel engines, which is the most stringent in Europe, is to be made compulsory. All new cars sold in Britain will be required to be fitted with a crank case "breathing" device to reduce emission of hydrocarbons, which cause most of the smell of vehicle exhaust. The Government will seek progressively to reduce and where feasible to eliminate substances in vehicle exhausts which harm the environment.

[illegible] Air Pollution

The Royal Commission has been asked to advise on the adequacy of current research on the possible long-term economic effects of air pollution.

Noise

An Advisory Council on Noise has been set up [see 27.3.70 p. 328]. The [illegible] has been amended to make it easier to bring civil actions against those who [illegible] nuisance by noise in England and Wales.

Aircraft noise is coming under increasingly strict control as a result of [international] agreements. An Order made in March 1970 will have the effect [of requiring] that new types of subsonic jet aircraft operating in Britain make [only] about half as much noise as comparable types currently in service. The [Government] considers that commercial supersonic flights which could cause a [boom] to be heard on the ground should be banned, and will shortly publish [its] proposals for discussion with all concerned.

Maximum permitted noise levels for new road vehicles have already been [set] and they will progressively be reduced. An annual noise check is to be [made] on heavy vehicles.

Pollution of the Land

Pollution of the land in Britain is less serious than elsewhere, though a [careful] watch is necessary against special risks. The reports of the Working Parties on the Disposal of Solid Toxic Wastes and the Disposal of Household

Refuse will be published later in 1970. The voluntary Pesticides Safety Precautions Scheme is to be replaced by statutory controls, and its extension to some non-agricultural uses of pesticides is to be discussed. The use of antibiotics in animal husbandry is also to be brought under statutory control. The Government will still further increase the grant support available for the clearance of derelict land. It has appointed a central group for derelict land reclamation in England and has set a ten year target for the reclamation of land in the worst affected areas. The Finance Act 1970 will make it more worth while for owners of mineral waste tips to sell material for removal by contractors.

Pollution of Fresh Water

British rivers are generally cleaner than they were 100 years ago, but a great deal of further improvement will be needed to meet future demands for both water supply and waste disposal. The report of the Working Party on Sewage will shortly be published and decisions on its recommendations announced. A detailed survey of river conditions will also be available soon together with a report by the Central Advisory Water Committee on the reorganisation of the water and sewage industry. With these reports in hand the Government will be in a position to undertake a national Clean Rivers Programme.

The advice, given at a time of great financial stringency in 1968, that local authorities should limit expenditure on sewage works has been withdrawn. The Government is allocating an extra £[illegible] million in 1970-71 and £[illegible] million in 197[illegible] to clear up the backlog of small sewerage schemes in England; more will be done in Wales and Scotland also. The Government will in due course introduce legislation to reduce the risks of accidental pollution of surface and underground waters.

In a statement introducing the report at a London press conference Mr Crosland announced that responsibility for the Water Pollution Research Laboratory at Stevenage was being transferred from the Ministry of Technology to the Ministry of Housing and Local Government to provide a closer [illegible] between research and administration.

Pollution of the Sea

The Government is enforcing recent [illegible] agreements [illegible] pollution of the sea by oil. It is raising the penalty for illegal discharge of [illegible] the sea. The Government will ratify the conventions under which tanker [illegible] will be strictly responsible for a much greater proportion of the damage [illegible] by an oil spill, and will introduce appropriate national legislation. The Government, in consultation with industry, will regulate the search for, and exploitation of, oil in the shallow seas around Britain so as to minimise the chances of leaks.

Pollution by Radioactivity

Because the problems were well understood when the first [illegible] by radioactive substances has been the most successfully controlled [illegible] pollution. A constant watch is kept on the operation of these controls.

International Action

The Government is taking a full part in an extensive series of international discussions on pollution.

Scottish Development Department

REPORT FOR 1969

The *Scottish Development Department Report for 1969* (Cmnd. 4313, HMSO, 7s 6d) was presented to Parliament by the Secretary of State for Scotland in May. The report is split into seven major sections dealing with town and country planning, housing, electricity, the environment, local government, transport and roads.

Town and Country Planning

The Town and Country Planning Act for Scotland 1969 introduced an entirely new procedure for the preparation of development plans. It involves much greater delegation of power to local planning authorities, who will be able to approve their local plans within the general framework of the structure plans approved by the Secretary of State. It also provides an opportunity for effective participation by the public in the formulation of major planning proposals.

Work on the consolidation of the Scottish Planning Acts, including the [illegible] Act, was [illegible] during the year.

A review of the development [illegible] Scotland was published May 1969. [illegible] study of the [illegible] transport [illegible] programmes of action [illegible] Falkirk regional survey [illegible] Edinburgh transportation study [illegible] transportation study [illegible] Edinburgh; an interim report [illegible] Borders report in January 1969 and [illegible] New Town Development Corporation's outline plan. Progress [illegible] work for a regional plan for West [illegible] Scotland.

[illegible]

[illegible] space in the [illegible] Cumbernauld, Livingston, Glenrothes and [illegible] providing over 30,000 jobs of [illegible] 44,000 [illegible] and 5,000 [illegible] had been provided during [illegible] houses completed [illegible] during the year was [illegible] 500 houses were under [illegible] further 1,348 had been [illegible] had been made in the [illegible] British Aluminium Company's aluminium reduction [illegible] Invergordon.

[illegible]

The Countryside Commission for Scotland [illegible] had already [illegible] considerable impact on the Scottish countryside scene since it was [illegible] April 1968 and is at present engaged in drawing up a national classification of scenic resources as a guide for planning the conservation and future of the countryside. During 1969 a total of £85,500 in countryside grants [illegible] to local authorities by the Secretary of State.

The Highlands and Islands Development Board, which provides financial [illegible] to industry and tourism, had by the end of 1969 approved grant [illegible] assistance totalling nearly £6 million for 1,134 projects expected to [illegible] over 4,000 jobs. Since the scheme began at the end of 1965 the board

has paid out £4,411,578 in grants and loans, of which £1·8 million has been to the tourist industry. A further £1 million has been invested in the fishing industry by the board under its Fisheries Development Scheme. Three areas—the Moray Firth, Wick/Thurso and Lochaber—have been selected as offering the main scope for the attraction of large industries, and the board is in the process of selecting the most promising locations in the predominantly crofting north and west for smaller industrial developments.

The Small Industries Council for Rural Areas of Scotland (SICRAS) was established on 1st April 1969, as the successor to the Scottish Country Industries Development Trust and the Scottish Committee of the Council for Small Industries in Rural Areas. Its aim is to carry out the policies of the Development Commission for the stimulation, encouragement, establishment and expansion of industrial activity in the rural areas and country towns outside the crofting counties (which are covered by the Highlands and Islands Development Board).

Tourism

The statutory Scottish Tourist Board came into being on 1st October 1969 and by the end of the year was already administering the Hotel Development Incentives Scheme and was planning a system of regional tourist associations and the establishment of a Scottish Tourism Consultative Council.

Housing

The Housing (Scotland) Act 1969 put at the disposal of local authorities a wide range of powers to enable them to deal effectively with areas of older houses in their districts by improvement or demolition as appropriate. Where the majority of houses in an area fail to meet the new 'tolerable standard' defined by the Act the local authorities may define that area as a 'housing treatment area'. In the year up to September 1969 over 17,000 sub-standard houses were closed or demolished compared with 15,000 and 4,000 in the previous two years. There was also a small increase in the level of improvement activity by both individuals and local authorities.

During 1969 a record figure of over 42,000 houses were completed in Scotland, the increase being entirely in the public sector, completions of private sector houses having fallen slightly. The report on the amenity and social character of local authority housing schemes by a sub-committee of the Scottish Housing Advisory Committee was due for publication in 1970 along with a report on local authority rent rebate schemes.

Electricity

During the year ended 31st March 1969 capital investment on fixed assets by the South of Scotland Electricity Generating Board amounted to £61 million, the North of Scotland Hydro-Electric Board invested nearly £8 million. The investment programmes for 1970-71 totalled £64 million for the South board and £14·5 million for the North board. Sales of electricity increased by 8.1 per cent in the south and 11.9 per cent in the north. A report from the Joint Planning Committee recommending the construction of an oil-fired generating station at Inverkip was under consideration by the Secretary of State at the beginning of 1970. Consent was given for the development of a 300 megawatt pumped storage generating project at Foyers, Loch Ness, and to the extension of the generating stations at Bowmore, Lerwick and Kirkwall.

The Environment

During 1969 work costing £23·7 million was carried out on schemes of public water supply, sewerage and sewage disposal, compared with £21·6 million

in 1968. A total of 453 new and extension water supply schemes were authorised along with 457 projects for sewerage and sewage disposal. Four new reservoirs were opened during 1969.

Five schemes for coastal protection were completed during the year and a further eleven have been approved or are under consideration by local authorities. Two flood protection schemes were completed, and a major scheme costing £400,000 to prevent flooding in Grangemouth was submitted to the Secretary of State. Some fifteen other flood prevention schemes were under consideration at the end of the year

During the year the provisions of the Clean Air Act 1968 were brought into operation in two phases, the first restricting the supply of smoke-producing coal in smoke control areas and the second broadening the control of smoke from industrial premises. The Clean Air Council for Scotland, which advises the Secretary of State on air pollution and reviews progress in this field, was reconstituted by the Secretary of State for a further three years.

Local Government

On 25th September 1969, the report of the Royal Commission on Local Government in Scotland was published (see 10.10.69 pp 881-3) The Government is to publish a White Paper setting out its intended actions on the report.

Transport

During 1969 capital investment by the Scottish Transport Group amounted to £3.3 million No decision as to whether a Passenger Transport Authority would be established had been announced by the end of the year, but during the year the Secretary of State made his first infrastructure grants in support of capital projects to improve facilities for passengers using public transport in the major urban areas In February 1970 it was announced that a Passenger Transport Authority was to be set up in the Greater Glasgow area.

Roads

The report states that 19 miles of dual carriageways were completed in 1969 and work has now started on all the remaining schemes scheduled for completion in 1970 A White Paper *Scottish Roads in the 1970s* was published in March 1969.

Government and Administration

Penal Establishments for Women and Girls. The Joint Under-Secretary of State for the Home Department announced that penal establishments for women and girls were being reorganised to provide facilities for the medical, psychiatric and remedial treatment, of which most of the relatively small number received into custody less than 1,000 a year were in need	*Hansard,* 14 5 70 col 1661
Legal Aid Scheme. The Attorney-General announced that the facilities of the Legal Aid Scheme were to be extended, by regulations, to all proceedings in the Lands Tribunal the first time that legal aid has been extended to tribunal proceedings as distinct from those in the ordinary courts He also announced the Government's proposals to increase, by regulation, the financial limits for legal aid, legal advice and for claims short of litigation	*Hansard,* 14 5 70 col 1646
Office of Population Censuses and Surveys The Prime Minister announced the establishment on 11th May of the Office of Population Censuses and Surveys as the result of a merger between the General Register Office and the Government Social Survey Department The head of the new office is to be Director and Registrar-General	*Hansard,* 11 5 70 written answers col 240
Rate Rebates: Change in Qualifying Limits Under the Rate Rebates (Limits of Income) Order 1970, the income limits below which householders qualify for the full amount of rate rebate [see 21.12.65 p. 1328] were raised The Order increases the qualifying limit for a married couple from £11 a week to £12 5s and that for a single person from £9 to £10. The allowance for each dependent child remains unchanged at £2 a week The Minister of Housing and Local Government stated that the main purpose of the Order was to prevent the disqualification through rising money incomes of many people, particularly pensioners, who had previously been entitled to rebate	*Hansard* 28 5 70 col 2095

External Affairs and Defence

Royal Navy: Dockyard Modernisation Details of plans for the extensive modernisation of the naval dockyards at Devonport and Portsmouth, at a total estimated cost of £76 million to be completed by the early 1980s.	*Hansard,* 27 5.70 cols 472 3
The United Nations after Twenty-five Years	COI, Factel No. 604

Economic and Scientific Affairs

The Protection of the Environment. White Paper on the control of pollution (see pp. 588-90)	Cmnd. 4373 HMSO, 3s
Disputes Procedures, for the avoidance and settlement of disputes arising at the place of work.	Confederation of British Industry 21 Tothill Street, London SW1, 8s
Outlook for Economic Growth. A summary report on experience, prospects and problems of policy 1960-80	Organisation for Economic Co-operation and Development, Paris, 14s
Notes on Science and Technology in Britain No. 5 Penicillins and Cephalosporins No. 53 Plant Breeding	COI, R.5476
The London Airports. Fact Sheet on Britain	COI, R. 4735 1 7

Social and Cultural Affairs

Greater London Development Plan Inquiry. The membership of the panel to conduct the independent inquiry into the Greater London Development Plan (see 16.1.70 pp. 75-8) has been announced by the Secretary of State for Local Government and Regional Planning. Five specialist assessors have also been appointed for the inquiry, which is to be under the chairmanship of Mr. F. H. B. W. Layfield, QC.	*Hansard*, 28.5.70 written answers col. 537
University Finance. Mr. Short, Secretary of State for Education and Science, announced an additional supplementary grant of £20.703 million to the universities (£16.818 million recurrent grant and £3.885 million equipment grant) for the remainder of the current quinquennium ending in July 1972.	*Hansard*, 28.5.70 cols. 507-8
Urban Aid Programme. The Home Secretary announced that the Urban Programme (see 3.1.69 p. 47, 28.2.69 p. 232 and below) is to be extended for a further period of four years from April 1972. Expenditure during this period is expected to be up to £40 million.	*Hansard*, 28.5.70 written answers cols. 533-4
Education in Scotland 1969. Report of the Secretary of State for Scotland.	Cmnd. 4312 HMSO, 9s 6d
Wild Birds (Various Species) Order 1970. Special protection has been conferred on 14 species of wild birds in England and Wales by an Order made by the Home Secretary under the Protection of Birds Act 1954. More than 60 species are now afforded special protection under the Act.	HMSO, 9d
Holiday Courses for Immigrant Children. Financial aid will be granted under the Urban Programme (see 3.1.69 p. 47, 28.2.69 p. 232 and above) for holiday language courses for children from immigrant communities. Students and other young volunteers will tutor children in schemes in Bedford, Bristol, Ealing, Huddersfield, Leicester, Manchester and	Press release Home Office 15.5.70

Rochdale. The schemes will be run in association with local education authorities and will be sponsored by the Community Relations Commission and Community Service Volunteers.

Remuneration of Doctors and Dentists. Following the recent report of the Review Body on Doctors' and Dentists' Remuneration (Cmnd. 4352), which recommended a 30 per cent increase for all doctors and dentists from 1st April 1970, the question of doctors' and dentists' pay has been referred by the Government to the National Board for Prices and Incomes. The Government has decided to grant a 30 per cent increase to training grades of hospital doctors and dentists and a 15 per cent increase to other hospital doctors and dentists and to general medical and dental practitioners. The board is asked to report on how much of the balance should be paid to these grades.	Press release Department of Employment and Productivity 4.6.70
The Fourth R. The Durham report on religious education.	National Society and the Society for Promoting Christian Knowledge, 69 Great Peter Street, London SW1, 40s
History. Fact Sheet on Britain.	COI, R.4735/A/3
Sound and Television Broadcasting in Britain, addendum April 1970.	COI, RF.P 5531/69 addendum

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United Kingdom Parliament

GENERAL ELECTION

The Conservative Party won the general election held on 18th June [see 19.6.70 p. 569] with a majority of 43 seats over the Labour Party (excluding Dr Horace King[1]), and a majority of 30 (29) over all the other parties. The following table shows the state of the parties in Parliament as a result of the election, beside the state before dissolution.

	Seats in the new House of Commons	Seats before dissolution
Conservative and Associates (Ulster Unionists)	330	262
Labour	287	346
Liberal	6	13
Republican Labour (Northern Ireland)	1	1
Scottish Nationalist	1	1
Welsh Nationalist		1
Unity (Northern Ireland)	1	
Protestant Unionist (Northern Ireland)	1	
Independents	2	3
Vacant seats pending by-elections		2
Speaker	1	1
	630	630

The total number of electors entitled to vote in the 1970 election was about 39.6 million compared with about 35.95 million in March 1966 (the voting age was lowered to 18 on 1st January [see 20.6.69 p. 529]). 72 per cent of them (compared with 75.8 per cent in 1966) cast their vote. Votes for the Conservatives increased by about 1.7 million, while those for the Labour and Liberal parties were reduced by about 900,000 and 200,000 respectively. The 'swing' to the Conservatives has been estimated to have been about 4·7 per cent. A comparison of the distribution of votes in the two elections is shown in the table on p. 602.

All of the 630 seats in Parliament were contested, and there were 1,837 candidates (1,707 at the 1966 election), consisting of Conservative and Associates, 628; Labour, 624 (including the 6 Northern Ireland Labour Party); Liberal,

[1] The Speaker in the previous House of Commons, who was re-elected on 29th June (*Hansard* cols [illegible]10).

DISTRIBUTION OF VOTES

	1970	% of votes	1966	% of votes
Conservative	13,106,965	46·4	11,418,433	41·9
Labour	12,141,676	43·0	13,057,941	47·9
Liberal	2,109,218	7·4	2,327,533	8·6
Others*	900,473	3·2	452,689	1·6

* Others include the Speaker, Republican Labour (Northern Ireland), Communists, Scottish and Welsh Nationalists, Independents and members of individual parties few of which were represented by more than one candidate

332; Scottish Nationalist, 65, Communist, 58 Welsh Nationalist, 36 and 'others' (including the Speaker), 94. There were straight fights in 189 constituencies, in 335 there were three-cornered contests, and in 106 there were four or more candidates.

There will be 26 women in the new House of Commons, as in the previous Parliament. Fifteen of them are Conservative members, ten are Labour, and one an Independent.

United Kingdom Government

THE NEW PRIME MINISTER AND CABINET

Following the resignation of Mr. Harold Wilson on 19th June the Queen invited Mr. Edward Heath, leader of the Conservative Party, to form a Government. The new Cabinet, announced from 10 Downing Street on 20th June, consists of 18 members, as follows:

Prime Minister and First Lord of the Treasury	Mr. Edward Heath, MBE
Secretary of State for the Home Department .	Mr. Reginald Maudling (Mr. Maudling will preside over the Cabinet and take the Prime Minister's questions in the House of Commons in Mr. Heath's absence from the country)
Secretary of State for Foreign and Commonwealth Affairs	Sir Alec Douglas-Home, KT
Chancellor of the Exchequer	Mr. Iain Macleod
Lord Chancellor . .	Lord Hailsham, QC
Lord President of the Council .	Mr. William Whitelaw, MC (Mr. Whitelaw is to be leader of the House of Commons)
Secretary of State for Defence	Lord Carrington, KCMG, MC

Secretary of State for Social Services	Sir Keith Joseph, Bt.
Chancellor of the Duchy of Lancaster	Mr. Anthony Barber
Minister of Technology	Mr. Geoffrey Rippon, QC
Secretary of State for Employment and Productivity	Mr. Robert Carr
Secretary of State for Education and Science	Mrs. Margaret Thatcher
Secretary of State for Scotland	Mr. Gordon Campbell, MC
Lord Privy Seal	Earl Jellicoe, DSO, MC (Lord Jellicoe is to be leader of the House of Lords)
Minister of Housing and Local Government	Mr. Peter Walker, MBE
Secretary of State for Wales	Mr. Peter Thomas, QC
Minister of Agriculture Fisheries and Food	Mr. James Prior
President of the Board of Trade	Mr. Michael Noble

All the members of the Cabinet are members of the Privy Council. Fifteen are members of the House of Commons; three—Lord Hailsham, Lord Carrington and Lord Jellicoe—are members of the House of Lords.

Other Ministerial Appointments

Other ministerial appointments announced from 10 Downing Street on 20th, 23rd and 24th June were as follows:

Parliamentary Secretary, Treasury (Chief Whip)	Mr. Francis Pym, MC
Minister of Overseas Development	Mr. Richard Wood
Minister of Public Building and Works	Mr. Julian Amery
Minister of Transport	Mr. John Peyton
Paymaster-General	Viscount Eccles, KCVO (To be Minister with special responsibility for the arts)
Law Officers	
Attorney-General	Sir Peter Rawlinson, QC
Solicitor-General	Sir Geoffrey Howe, QC
Lord Advocate	Mr. Norman Wylie, VRD, QC
Solicitor-General for Scotland	Mr. David Brand, QC
Ministers of State, Home Office	Mr. Richard Sharples, OBE, MC; Lord Windlesham
Minister of State, Foreign and Commonwealth Office	Mr. Joseph Godber
Chief Secretary to the Treasury	Mr. Maurice Macmillan
Financial Secretary to the Treasury	Mr. Patrick Jenkin
Minister of State, Treasury	Mr. Terence Higgins

Minister of State, Ministry of Defence	Lord Balniel
Minister of State, Department of Health and Social Security ..	Lord Aberdare
Ministers of State, Ministry of Technology	Sir John Eden, Bt. Lord Bessborough
Minister of State, Department of Employment and Productivity .	Mr. Paul Bryan
Minister of State, Scottish Office ..	Lady Tweedsmuir
Minister of State, Ministry of Housing and Local Government ..	Mr Graham Page, MBE
Minister of Posts and Telecommunications ..	Mr Christopher Chataway
Minister of State, Welsh Office	Mr James Gibson-Watt, MC
Minister of State, Board of Trade	Mr. Frederick Corfield
Lord Commissioner of HM Treasury and Parliamentary Secretary, Civil Service Department	Mr David Howell
Parliamentary Secretary, Ministry of Agriculture, Fisheries and Food	Mr James Stodart
Parliamentary Under-Secretaries of State, Ministry of Defence . ..	Mr. Ian Gilmour Mr. Peter Kirk Mr Antony Lambton
Parliamentary Under-Secretaries of State, Department of Education and Science	Lord Belstead Mr William van Straubenzee, MBE
Parliamentary Under-Secretary of State, Department of Employment and Productivity	Mr Dudley Smith
Parliamentary Under-Secretaries of State, Foreign and Commonwealth Office	The Marquess of Lothian Mr Anthony Royle
Parliamentary Under-Secretaries of State, Department of Health and Social Security	Mr. Michael Alison Mr. Paul Dean
Parliamentary Under-Secretary of State, Home Office	Mr. Mark Carlisle
Parliamentary Secretaries, Ministry of Housing and Local Government	Mr. Paul Channon Mr. Eldon Griffiths Lord Sandford, DSC
Parliamentary Under-Secretaries of State, Scottish Office	Mr. Alick Buchanan-Smith Mr. George Younger Mr. Edward Taylor

Parliamentary Secretaries, Ministry of Technology	Mr. David Price Mr. Nicholas Ridley
Parliamentary Secretary, Board of Trade	Mr. Anthony Grant
Parliamentary Secretary, Ministry of Transport	Mr. Michael Heseltine
Parliamentary Secretary, Ministry of Public Building and Works	Mr Anthony Kershaw, MC

The following Ministers are also members of the Privy Council: Mr. Francis Pym, Mr Richard Wood, Mr Julian Amery, Mr. John Peyton, Lord Eccles, Sir Peter Rawlinson, Mr. Norman Wylie, Mr. Joseph Godber and Mr. Christopher Chataway

Ministers in the House of Lords are Lord Eccles, Lord Windlesham, Lord Aberdare, Lord Bessborough, Lady Tweedsmuir, Lord Belstead, Lord Lothian, and Lord Sandford. The other 41 Ministers are members of the House of Commons, except for the Solicitor-General for Scotland who, as in the previous administration, is not a member of Parliament

Further Government Appointments

The following additional Government appointments were announced on 24th June

Officers of the Queen's Household and Government Whips

Commons	
Treasurer of the Household	Mr Humphrey Atkins
Comptroller of the Household	Mr Robert Elliott
Vice-Chamberlain of the Household	Mr Jasper More
Lords	
Captain of the Gentlemen-at-Arms (Chief Whip)	Earl St Aldwyn, KBE
Captain of the Yeomen of the Guard	Viscount Goschen, OBE
Lords in Waiting	Lord Denham Lord Bethell Lord Mowbray
Lords Commissioners of the Treasury (and Government Whips)	Mr Reginald Eyre Mr. Hector Munro Mr. Bernard Weatherill Mr Walter Clegg
Assistant Whips .. .	Mr. Victor Goodhew Mr. Paul Hawkins Mr. Tim Fortescue Mr. Keith Speed

Tonga

TERMINATION OF PROTECTED STATUS

On 4th June the Kingdom of Tonga celebrated the termination of its status as a British protected State and the resumption of full control over its external affairs and defence. The celebrations were attended by Prince William of Gloucester representing the Queen.

Throughout their association, a particularly warm and close relationship has existed between Britain and Tonga, which found notable expression in the affection and admiration accorded to the late Queen Salote during her visit to London for the Coronation in 1953 The present monarch, King Taufa'ahau Tupou IV, who succeeded his mother in 1967, has continued the tradition of friendship, and in March 1970 he and his people gave a warm welcome to Queen Elizabeth, the Duke of Edinburgh and Princess Anne, when they visited Tonga on their way to New Zealand and Australia

Treaty Relations with Britain

Tonga has never been a colony. Between 1855 and 1888, at a time when the South Pacific islands were virtually being divided among the European Powers, Tonga signed treaties, in which its independence was recognised, with France, Germany, Britain (1879) and the United States. By the end of the century it was the only group of South Pacific islands not under the control of a foreign Power.

The closer relationship between Britain and Tonga dates from the Treaty of Friendship signed in 1900, superseding the 1879 treaty Under it, Tonga became a British protected State, and in return for a guarantee of protection against external hostile attacks, agreed to leave all relations with foreign Powers in the hands of Britain. The 1900 treaty has been amended several times, most recently in 1968, when provision was made for the Articles under which British protection was exercised to cease to have effect when Britain no longer had any responsibility for Tonga's external affairs.

At a special session on 30th April 1970, the Tonga Legislative Assembly passed unanimously a resolution that the 1968 treaty be modified, with effect from 4th June, so that responsibility for external affairs and defence should revert to Tonga: and in the British Parliament, Royal Assent was given on 15th May to the Tonga Bill, which made provisions consequential on the termination of protected status. Thereafter, formal termination of the British Government's responsibility was effected by an Exchange of Letters, and the treaty now simply provides for perpetual peace and friendship between Britain and Tonga

Economy and Development

The Kingdom of Tonga, comprising some 150 islands and islets scattered over a wide area of the south-west Pacific Ocean, has an economy based on

agriculture. Its inhabitants, numbering about 85,000, are predominantly peasant farmers, growing their own food and producing a few cash crops, of which the chief are coconuts and bananas. There are no proved mineral resources—although the possibilities of oil are being investigated following the discovery in 1968 of small seepage of oil in islands of the Tongatapu group—and manufacturing is limited to a small number of processing industries. The islands have a semi-tropical climate, and with recent and projected improvements in both sea and air communications, there are good prospects for the growth of tourism.

A five-year development programme for 1965-70, giving priority to agriculture, communications, education and health, is nearing completion, at an estimated total cost of $T5 million ($T1 = 9s 4d sterling) and a new plan is being drafted with the help of British advisers. Britain contributed just under £1 million in grant aid to the current plan, and is prepared to provide further aid for the new one. A British loan of £200,000 is helping to finance wharf development at Nuku'alofa, the capital. Tonga also receives development aid from Australia, New Zealand, the United States and United Nations agencies.

Membership of the Commonwealth

On 3rd June the Commonwealth Secretariat in London announced that, on resuming control of its external and defence affairs, Tonga would become a member of the Commonwealth. The Secretary-General, Mr Arnold Smith, had consulted Heads of all Commonwealth Governments, and all had indicated that they would welcome the Kingdom of Tonga into membership.

Chronology, April-June 1970

GENERAL

April

13-17 Preparatory meeting of representatives of 59 non-aligned countries held in Dar es Salaam, Tanzania, the third summit meeting of non-aligned countries will be held in Lusaka from 8th to 10th September

20 Britain signed the Convention on the Law of Treaties approved by the Vienna conference of April-May 1969

21 Centenary of Lenin's birth

21-25 UN Secretary-General, U Thant, visited Vienna, where he addressed the Industrial Development Board, governing body of the UN Industrial Development Organisation, visited the headquarters of the International Atomic Energy Agency, and met the Austrian Chancellor and Foreign Minister

27- International conference 'Environment and Society in Transition'
2 May held in New York. The conference, attended by leading scientists from 15 countries, including Britain, was sponsored jointly by the American Geographical Society and the American division of the World Academy of Arts and Sciences

28-30 Commonwealth Secretary-General, Mr Arnold Smith, visited Cyprus.

May

4- Twenty-second session of the International Law Commission met in
10 July Geneva.

5-22 Twenty-third session of the assembly of the World Health Organisation. On 14th May the assembly decided to defer until the next assembly session in April 1971 consideration of application by the East German authorities to participate in the work of the organisation.

20-22 Ministerial meeting of the Organisation for Economic Co-operation and Development held in Paris.

June

1-16 Eighth Commonwealth Broadcasting Conference, held in Kingston, Jamaica.

3-25 Fifty-fourth session of the International Labour Conference

9-26 Tenth session of the Governing Council of the UN Development Programme.

14-15 UN Secretary-General, U Thant, visited London at the invitation of the British Government. As well as visiting the headquarters of the Inter-Governmental Maritime Consultative Organisation, he addressed members of the Royal Commonwealth Society at a luncheon given in his honour by the society, and had talks with the Foreign and Commonwealth Secretary, Mr. Stewart [1]

16-30 Second World Food Congress sponsored by UN Food and Agriculture Organisation (FAO), held in The Hague, Holland

26 Celebration of twenty-fifth anniversary of signing of United Nations Charter.

EUROPE AND THE WESTERN HEMISPHERE

April

2-4 Canadian External Affairs Minister, Mr Mitchell Sharp visited Paris to inaugurate a Franco-Canadian cultural centre and for talks with the French Foreign Minister, M Maurice Schumann

4-8 Soviet Deputy Foreign Minister, Mr Semyon Kozyrev visited Britain he attended a meeting of the Anglo-Soviet Consultative Committee and had talks with Mr. George Thomson, Chancellor of the Duchy of Lancaster, and other Ministers

6 The Federal German Ambassador to Ecuador, Count Karl Maria von Spreti, was found murdered after his abduction by opponents of the regime.

6-7 Defence Secretary, Mr. Denis Healey, visited Paris for talks with the French Defence Minister, M Michel Debré

6-9 Swedish Prime Minister, Mr. Olaf Palme, paid an official visit to Britain [see 8.5.70 pp. 446-8].

8 Herr Walter Scheel, Foreign Minister of the Federal Republic of Germany, visited Italy where he had talks with the Foreign Minister Signor Aldo Moro, and was received by President Saragat and by the Prime Minister, Signor Rumor.

Death of Prince Felix of Luxembourg, husband of the former Grand Duchess Charlotte.

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[1] References to Ministers relate to appointments prior to the general election of 18th June

9-10 Consultative Committee of the European Free Trade Association met in Geneva.

10-11 Herr Willy Brandt, Chancellor of the Federal Republic of Germany, visited Washington, where he had talks with President Nixon and other government leaders.

13 Supplementary protocol to the Anglo-Soviet Civil Aviation Agreement of 1957 was signed in London by Mr. Yevgeny Loginov, Soviet Minister of Civil Aviation, and by Mr. Roy Mason, President of the Board of Trade, and Lord Chalfont, Minister of State at the Foreign and Commonwealth Office. The protocol gives BOAC flying rights over Siberia on the London-Moscow-Tokyo route and Aeroflot the right to operate a transatlantic route via London.

13-17 Caribbean Heads of Government and other ministerial representatives met in Jamaica.

14-15 Committee of Ministers of the Council of Europe met in Strasbourg. Mr. George Thomson, Chancellor of the Duchy of Lancaster, attended.

14-24 Minister of Technology, Mr. Anthony Wedgwood Benn, visited the United States at the invitation of the US Secretary of Commerce, Mr. Maurice Stans. Mr. Benn had talks with Mr. Stans and with senior US government officials and representatives of the science-based industries, and visited scientific research establishments and a major aircraft manufacturing plant.

14-25 Twenty-fifth session of the United Nations Economic Commission for Europe met in Geneva.

15 Swedish Prime Minister, Mr. Palme, visited Paris, where he had talks with President Pompidou, with the French Prime Minister, M. Jacques Chaban-Delmas, and the Foreign Minister, M. Schumann.

15-16 President of the Board of Trade, Mr. Mason, visited Sweden to attend British Motor Week.

16 Second round of Strategic Arms Limitation Talks (SALT) opened in Vienna (see 5.6.70 pp. 533-4).

17-24 Council of Europe Consultative Assembly met in Strasbourg.

19-20 M. Jean Rey, President of the European Commission, visited London to attend Federal Trust Conference on Europe.

20 It was announced that the International Monetary Fund had approved a stand-by arrangement for the Government of Colombia, authorising the purchase of up to $38.5 million in foreign currencies over the next 12 months. On the following day, there was a similar announcement relative to the Government of Peru, authorising the purchase of up to $35 million in foreign currencies over the next 12 months.

21 Socialist minority Government, headed by Dr. Bruno Kreisky as Federal Chancellor, was formed in Austria after the breakdown of talks between the Socialist Party and the Austrian People's Party on the formation of a coalition government. [N.B. the statement in *Survey*, 24.4.70, p. 400 that a coalition government was formed soon after the general election of 1st March was incorrect.]

A state of emergency was declared in Trinidad after Black Power demonstrations.

21-23 Federal German Foreign Minister, Herr Walter Scheel, paid an official visit to Spain.

23 Dr. Misael Pastrana Borrero was elected President of Colombia. Dr. Borrero will take office in August.

23-28 Ministerial meeting of the European Council on Posts and Telecommunications held in Berne; Mr. Goronwy Roberts, Minister of State at the Board of Trade, attended.

26-30 Bulgarian Minister of Foreign Trade, Mr. L. Avramov, visited London at the invitation of the President of the Board of Trade, Mr Roy Mason. The two Ministers signed a Bulgarian-British trade agreement.

27-28 Foreign Minister of Luxembourg, M. Gaston Thorn, paid an official visit to London for talks with the Foreign and Commonwealth Secretary, Mr. Michael Stewart.

29- 1 May Mr. Goronwy Roberts, Minister of State at the Board of Trade, visited Hanover to attend the Hanover Trade Fair (25th April to 3rd May) and International Air Show (24th April to 3rd May).

May

3-6 Herr Josef Ertl, Minister of Agriculture of the Federal Republic of Germany, visited London at the invitation of the Minister of Agriculture, Fisheries and Food, Mr. Cledwyn Hughes

3-8 The Foreign Minister of Colombia, Dr Alfonso Lopez Michelsen, visited Britain and had talks with the British Foreign and Commonwealth Secretary, Mr. Stewart

4-8 President of the European Parliament, Signor Mario Scelba, visited London, where he had talks with the Prime Minister, the Foreign and Commonwealth Secretary and the Chancellor of the Duchy of Lancaster

5 It was announced that the World Bank group will lend $70 8 million in Colombia, $52 3 million to assist in financing the largest electric power undertaking in Colombia, the Chivor hydro-electric project, and $18 5 million for the improvement and expansion of the water supply of the city of Cali

6 In the Irish Republic, the Minister of Finance, Mr Charles Haughey, and the Minister for Agriculture, Mr Blaney, were dismissed on account of their alleged implication in the smuggling of arms into the republic, apparently for use in Northern Ireland The Minister of Local Government Mr Boland, resigned in sympathy Mr Haughey and Mr Blaney were arrested on 28th May and charged with others with conspiring to import arms and ammunition illegally

During the visit of the Soviet leaders Mr Kosygin and Mr Brezhnev to Prague, a new 20-year treaty of friendship, co-operation and mutual assistance between Czechoslovakia and the Soviet Union was signed

12-14 Prime Ministers of the eight countries of the Council of Mutual Economic Assistance (COMECON) met in Warsaw for their annual summit meeting.

14 The President of Finland appointed a caretaker ' government of experts ' under Mr. Teuvo Aura, a former mayor of Helsinki The appointment followed two months of unsuccessful negotiation to form a government after the general election of 15th and 16th March [see 24 4 70 p 401]

14-15 Ministerial meeting of the European Free Trade Association in Geneva

15-19 Governing Mayor of Berlin, Herr Klaus Schutz, visited Britain to attend Ditchley Park conference and for talks with representatives of the British Government.

16 Señor Joaquin Balaguer was re-elected President of the Dominican Republic.

18-19 Italian Minister of the Treasury, Signor Colombo, visited London for talks with the Chancellor of the Exchequer.

20 It was announced that the World Bank group will lend $80 million, combined with about $26 million from export financing institutions in major supplier countries, to help finance a $287 million electric power project in Brazil.

-23 Portuguese Prime Minister, Professor Marcello Caetano, paid an official visit to Spain, the first such visit for more than 30 years. After the visit it was announced that Portugal and Spain had agreed to renew their 'Iberian Pact' of friendship and non-aggression for a further ten years.

21 A second meeting between the Chancellor of the Federal Republic of Germany, Herr Brandt, and the Prime Minister of the East German regime, Herr Stoph, was held in Kassel in the Federal Republic [see 19.6.70 p. 576].

-23 President of the Board of Trade, Mr. Roy Mason, visited Hungary at the invitation of the Hungarian Government. Mr. Mason attended the Budapest Trade Fair and had talks with Hungarian Ministers and officials.

25 Foreign and Commonwealth Secretary, Mr Stewart, visited Rome, where he had talks with the Italian Foreign Minister, Signor Aldo Moro.

-26 Prime Minister of Luxembourg, M Pierre Werner, and the Foreign Minister, M Gaston Thorn, paid an official visit to Paris.

-27 Ministerial Meeting of the North Atlantic Treaty Organisation held in Rome [see 19.6.70 pp 575-81]

-28 Sixth Conference of European Ministers of Justice held in The Hague.

28 Hungarian minister of Finance, Mr Peter Valyi, visited London on his way home from a tour of Latin America Mr Valyi had talks with the President of the Board of Trade

31 Earthquakes destroyed several towns in Peru, killing at least 50,000 people

June

1-3 Assembly of Western European Union met in Paris.

1-5 Soviet Foreign Minister, Mr Gromyko, paid an official visit to Paris, where he had talks with President Pompidou, with the French Prime Minister, M Chaban-Delmas, and with the Foreign Minister, M Schumann

1-8 Princess Margaret and Lord Snowdon visited Yugoslavia Their programme, which took them to many parts of the country, included both formal engagements and informal visits They met the Federal Prime Minister Mr Ribicic, and other leading personalities and were the guests of President Tito at his private residence on the island of Brioni.

3-4 Science and Research Committee of the European Parliament met in London

4 Agreement on consular and commercial relations between Spain and Bulgaria signed in Paris

4-5 Swedish Prime Minister, Mr Palme, visited Washington.

5-6 Ministerial meeting of the Western European Union held in Bonn; Mr. George Thomson, Chancellor of the Duchy of Lancaster, attended.

8 President Juan Carlos Ongania of Argentina resigned at the request of the Commanders-in-Chief of the army, navy and air force. On 18th June Brigadier-General Roberto Marcello Levingston was sworn in as President.

10 European Conference of Ministers of Transport held in Florence.

10-12 French Foreign Minister, M. Schumann, paid an official visit to Lisbo for talks with Portuguese Ministers. The Ministers signed a Francc Portuguese cultural convention.

11 Defence Planning Committee of the North Atlantic Treaty Organisatio met in Brussels.

15-19 President Ceausescu of Rumania paid an official visit to France; he ha talks with President Pompidou and leading French Ministers on th improvement of political, commercial and cultural links between the tw countries and then toured industrial plants in various parts of the country

16 The West German Ambassador to Brazil, Herr Ehrenfried von Hollcber was released by his kidnappers after the Brazilian Government had ser 40 prisoners to political asylum in Algeria as ransom

16-19 Swedish Prime Minister, Mr. Palme, paid an official visit to the Sovie Union.

18 Guyana and Venezuela signed a protocol at Port of Spain, Trinidac providing for a 12-year moratorium on the Venezuelan claims to som five-eighths of Guyanan territory. Britain was also a signatory

18-22 The United States Defence Secretary, Mr Melvin Laird, visited Spai for discussions on American bases

21 President José Maria Velasco Ibarra of Ecuador assumed dictatoria powers.

22 France and Spain signed a five-year military co-operation agreement

22-23 Foreign Ministers of the Warsaw Pact countries met in Budapest O 27th June they issued a declaration on East-West relations

22-24 Rumanian Prime Minister, Mr Ion Maurer, paid an official visit to th Federal Republic of Germany for talks with the Federal Chancellor an other Ministers. Mr. Maurer is the first Head of Government of a Warsav Pact country to pay an official visit to the Federal Republic

23 Poland and Federal Republic of Germany signed new five-year trad agreement.

24 Yugoslav Federal Prime Minister, Mr Ribicic, arrived in Moscow fo an official visit at the invitation of the Soviet Prime Minister, Mr Kosygir

30 Opening of negotiations in Luxembourg between the European Com munities and the four countries seeking membership Britain, Denmark Norway and the Irish Republic

AFRICA AND THE MIDDLE EAST

April

2 A provisional constitution was announced in Qatar, a Government wa appointed on 1st June

3- Between these dates the East German Foreign Minister, Herr Otto
11 June Winzer, paid official visits to the UAR (3rd to 4th April), Somalia (6th to 9th April), Algeria (19th to 20th May), and the Deputy Foreign Minister Herr Wolfgang Kiesnetter, visited the UAR and Libya (7th to 11th June) After the visits to Somalia and Algeria, the Governments of these countrie announced they would establish diplomatic relations with the Eas German regime.

4 King Moshoeshoe II of Lesotho arrived in the Netherlands after the

Lesotho Government had announced he would be leaving the country for an unspecified period.

5-9 Mr. Stewart, Secretary of State for Foreign and Commonwealth Affairs, paid an official visit to Turkey [see 8 5 70 pp. 445-6].

10-14 Mr. Joseph Sisco, United States Under Secretary of State, visited Cairo for talks on the Middle East situation with President Nasser and members of his Government. From 14th to 17th April Mr. Sisco had talks with Israeli leaders. A planned visit to Amman, Jordan, was cancelled, on 18th April Mr. Sisco visited the Lebanon for talks with President Helou and Prime Minister Karami.

10 General election held by illegal regime in Rhodesia following the purported assumption of republican status [see 24 4 70 p. 403].

13-18 President Sunay of Turkey paid an official visit to Rumania.

16 Mr. Clifford Dupont sworn in by illegal republican regime as first President of Rhodesia.

19 Government changes in Jordan.

19-
12 June Between these dates the Libyan leader, Colonel Qadhafi, visited a number of Middle Eastern countries for talks with their leaders, including Algeria (19th April), UAR (28th April and 10th to 12th June), Iraq (30th to 31st May), Jordan (1st to 3rd June), Syria (5th to 7th June) and Lebanon (7th June).

22 General elections held in South Africa, in which the governing National Party won 118 seats, the United Party 47 and the Progressives one. The extreme right-wing *Herstigte Nasionale* Party lost their four seats.

24 The Gambia was proclaimed a republic [see 22 5 70 p. 492].

24-
May Mr. Evan Luard, Under Secretary of State at the Foreign and Commonwealth Office, visited a number of the Gulf States for talks with the Rulers.

26 Government changes in the United Arab Republic. Mr. Muhammad Heykal, editor of *Al Ahram*, appointed Minister of National Guidance.

29 A statement by the Israel Government announced the presence of Soviet pilots on operational missions in the United Arab Republic [see 22 5 70 p. 497].

30 Announcement by the Portuguese Government that their Consul General in Salisbury would be withdrawn [see 5 6 70 p. 559].

May

1 President Obote of Uganda announced nationalisation of all important export businesses.

6-7 The Heads of State of Turkey, Iran and Pakistan met for talks at Ismir in Turkey.

7 The Somali Republic announced nationalisation of all foreign banks and oil companies.

New three-man Presidential Council established in Dahomey, headed by former President, Mr. Maga.

9 The United Arab Republic became a full contracting member of GATT.

11 The United Nations Security Council unanimously adopted a resolution, proposed by Britain and Iran, endorsing the report of the Secretary-General's representative, Mr. Winspeare Guicciardi, on the wishes of the inhabitants of Bahrain as to the state's future status. The report

concluded that the overwhelming majority desired a fully independent and sovereign state. The UN endorsement of the report was unanimously ratified by the Iranian upper and lower Houses of Parliament on 18th May.

11-14 Mr. Addel Hadi Boutaleb, Moroccan Foreign Minister, paid an official visit to Britain.

12-24 The Israel Foreign Minister, Mr. Eban, visited the United States and Canada: his visit included talks with President Nixon on 22nd May, and with Mr. Mitchell Sharp, the Canadian External Affairs Minister

12 The United Nations Security Council adopted a resolution condemning Israel military action in the Lebanon.

13- 26 June Inquiry in Kampala into the case of the alleged kidnapping of Mr. Brian Lea, First Secretary at the British High Commission in Uganda

14-17 The Central Treaty Organisation Council of Ministers met in Washington; Mr. Stewart, Secretary of State for Foreign and Commonwealth Affairs, attended [see 5 6 70 pp 531-3]

16 The Ruler of Dubai, Sheikh Rashid al-Maktoum, visited Kuwait The Ruler of Abu Dhabi, Sheikh Zayid, arrived in Iran for an official visit

16-22 The Soviet Deputy Foreign Minister, Mr Vladimir Vinagradov paid a visit to Turkey.

18 Large illegal student demonstration in South Africa took place in Johannesburg, in protest against the detention, without charges, for over a year of 22 Africans. On 18th June the Minister of Justice said three would be released without charges and 19 prosecuted

20-21 Summit meeting of Customs Union of West African States (UDEAO) at Bamako. At its conclusion a protocol was adopted creating a West African Economic Community

22 Yemen became a member of the International Monetary Fund

25 Foreign banks in the Sudan nationalised There were further nationalisations of foreign companies on 4th June

26-29 A summit meeting of the Heads of State of the United Arab Republic Libya and Sudan was held in Khartoum

27 Death of the Asantehene of Ashanti, President of the National Council of Chiefs, Sir Osei Agyeman Prempeh II

27-28 King Hassan of Morocco and Colonel Boumedienne of Algeria met near their common border for talks on the settlement of a border dispute.

27-30 The Ruler of Dubai, Sheikh Rashid al-Maktoum, paid an official visit to Iran.

28-30 Emperor Haile Selassie of Ethiopia paid an official visit to the Soviet Union.

June

2-4 The Sudanese Premier, Bahjat al-Talhuni, visited Cairo and Amman for talks.

3 The South African Prime Minister, Mr Vorster, left South Africa for a goodwill tour in Europe which included Portugal, Spain, France and Switzerland.

5-7 Emperor Haile Selassie of Ethiopia paid a state visit to the UAR.

7 Intermittent fighting, lasting several days, broke out in Amman between Government troops and Palestinian guerrillas.

8 Treaty of solidarity and co-operation signed between Morocco and Mauritania.

9 Agreement signed by the President of Kenya and the Emperor of Ethiopia on the permanent boundary between the two countries.

11 Inauguration of Zululand Territorial Authority, the second of eight 'Bantustans' to be created in South Africa.

Iran and the United Arab Republic agreed to re-establish diplomatic relations

12 A new Government was formed in Tunisia after the resignation, on 8th June, of the Government formed on 7th November 1969.

The Prime Minister of Lesotho, Chief Leabua Jonathan, announced that Britain had restored normal relations with Lesotho and was to give aid to alleviate the suffering caused by the drought

12-16 King Faisal of Saudi Arabia paid an official visit to Afghanistan.

13-16 The Chairman of the Bahrain State Council paid an official visit to Iran.

14 Approval was given, after a referendum, to a draft constitution in Upper Volta, providing for a general election in December followed by a predominantly civilian administration

15 President Kaunda of Zambia announced that no more coal was to be imported from Rhodesia, since enough was being produced within the country to meet Zambia's needs

The Algerian Government announced the nationalisation of a number of oil companies, including a subsidiary of Anglo-Dutch Shell.

15-18 The Israel Foreign Minister, Mr. Eban, visited Rome to discuss the Middle East situation with the Italian Foreign Minister, Signor Aldo Moro

15-30 President Numayri of Sudan visited a series of East European countries--Yugoslavia, Bulgaria, Hungary, Czechoslovakia, Poland and East Germany

16 After riots in Istanbul the Turkish Government declared martial law.

A meeting of reconciliation on the Congo river between the Presidents of the two Congos, attended by the Presidents of the Central African Republic, Gabon and Chad and the representative of the President of Cameroon, marked the decision to resume diplomatic relations and reopen the Congo river trade between Kinshasa and Brazzaville.

Sierra Leone announced the appointment of a commission to review the constitution and to find out whether the people wished a republican form of government

16-20 King Faisal of Saudi Arabia paid an official visit to Algeria.

17 Oil was discovered by US consortium off the coast of Ghana

18 Students at the University College of Rhodesia, who had been on strike, returned to work when the college authorities agreed to consider their proposals for a new College Council containing non-European representation.

20 Heads of State and representatives of a number of Arab states, including the UAR, Syria, Jordan, Iraq, Yemen, Sudan, Algeria and Morocco, assembling in Libya to celebrate the final evacuation of American troops from their former bases there (11th June, see 16.1.70 p. 53), held talks on the Middle East situation.

25 The United States announced a further initiative to promote a cease-fire and peaceful settlement of the Arab-Israel conflict.

ASIA AND THE PACIFIC

April

1 End of transitional period under Indus Waters Treaty of 1960. In accordance with the terms of the treaty, India stopped the flow to Pakistan of waters from the Indus tributaries Ravi, Beas and Sutlej

French Cabinet called for negotiation between all the interested parties on the situation in the Indo-China area

2 Autonomous hill state of Meghalaya, in Assam, inaugurated by the Indian Prime Minister, Mrs. Gandhi

3-8 Lord Shepherd, Minister of State, Foreign and Commonwealth Affairs, visited Brunei for talks with the Sultan

5 Prime Minister of the Chinese People's Republic, Mr Chou En-lai, arrived in North Korea on an official visit

7 Agreement signed in Colombo for a British gift to Ceylon of £950,000 for the purchase of wheat and flour in the 1969-70 harvest year. This forms part of Britain's commitment of aid under the Rome Food Aid Convention.

9 The semi-official Sino-Japanese 'Trade Memorandum Agreement' was renewed in Peking after negotiations which began on 7th March

9-11 Third annual meeting, in Seoul, of the board of governors of the Asian Development Bank. Mr Ben Whitaker, Parliamentary Secretary to the Ministry of Overseas Development, who attended the meeting as British Alternate Governor, announced on the 9th that Britain would contribute £6 million to the bank's special fund, to be made available as a grant over the four years 1970-1973

9-14 Prince of Wales visited Japan for Expo '70 in Osaka

10 New constitution came into force by Order in Council in the British Solomon Islands Protectorate, providing for the existing Legislative and Executive Councils to be replaced by a single Governing Council with an elected majority. Committees of the council will be responsible for policy and its implementation (see also entries of 7th and 26th May)

13 Loan agreement signed in Djakarta for a British interest-free loan of £1·5 million to Indonesia for the purchase of raw materials needed for development projects

14 Cambodia made an international appeal for arms

14-27 Annual session in Bangkok of the Economic Commission for Asia and the Far East (ECAFE)

15 Announcement of World Bank loan of $40 million to South Korea and a $15 million credit from the International Development Association (IDA) for railroad development

19-23 The Foreign and Commonwealth Secretary, Mr Stewart, visited Japan for the eighth Anglo-Japanese ministerial consultations, stopping en route in Hong Kong.

20 In a speech to the nation on Vietnam, President Nixon announced the withdrawal of 150,000 more troops within the next 12 months [see 5.6.70 p 549].

20- Fiji constitutional conference in London, at which it was agreed that
5 May Fiji should become independent on 10th October 1970 [see 19.6.70 p. 582].

22 The Australian Prime Minister, Mr. Gorton, said Australia would withdraw about 1,000 troops from Vietnam [see 5.6.70 p 549]

22 Announcement of a credit of $75 million to India from the IDA to finance foreign exchange requirements for the import of goods in selected industrial sectors.

Announcement of World Bank loan of $44 5 million to Formosa for electricity expansion.

24 China launched its first space satellite.

'Summit conference of the Indo-Chinese peoples', attended by Prince Sihanouk, former Head of State of Cambodia, and high level delegations of pro-Communist Vietnamese and Laotians, was held in the Laos-Vietnam-China border area [see 5 6 70 p. 540]

30 President Nixon announced that American and South Vietnamese troops had entered Cambodia in an offensive against Communist bases [see 5 6 70 p 542] The American troops were withdrawn by 29th June.

May

5 The People's Republic of China broke off diplomatic relations with Cambodia

6 Announcement of IDA credit of $35 million to India for agricultural development in the state of Gujarat

7 Announcement of British grant of £70 000 to the British Solomon Islands Protectorate for development projects in 1970 and 1971

11 The Supreme Court of India upheld the election of President Giri in 1969, dismissing charges by political opponents of its illegality

12 Signing in New York by representatives of the South Pacific Commission and the U N Development Programme of a plan of operation for a UNDP-aided fishery project which will determine feasible fishing areas in the South Pacific

13 The Yang di-Pertuan Agong (King) of Malaysia gave his assent to an ordinance providing for elections in East Malaysia, suspended during the disturbances of May 1969 (see 1 8 69 p 669) to be resumed

Evacuation began from Cambodia to South Vietnam of displaced Vietnamese residents

16-17 Conference of Asian and Pacific countries on Cambodia took place in Djakarta (see 5 6 70 p 544)

18 Bill introduced into the Indian Parliament to abolish the former Rajahs' privileges and privy purses

20 Ten-year agreement signed in Karachi for scientific and technical co-operation between the Soviet Union and Pakistan in the peaceful uses of atomic energy

Cancellation of proposed Sino-American ambassadorial meeting, the one hundred and thirty-seventh, in Warsaw

22-25 Fifth ministerial conference on South East Asian economic development held in Djakarta, attended by representatives of Cambodia, Indonesia, Japan, Laos, Malaysia, the Philippines, Singapore, Thailand and South Vietnam

22-29 President Hammer de Roburt, of Nauru, visited Britain for official discussions on finance and civil aviation.

25 Prince Sihanouk left Peking to visit North Vietnam; he visited North Korea on 15th June

Opening of manoeuvres in the South China Sea by ships of Australia, New Zealand, Britain, Malaysia and Singapore.

26- 30 June Elections in the British Solomon Islands Protectorate under the new constitution (see entry for 10th April).

27 Elections in Ceylon, in which a left-wing United Front coalition was successful. Mrs. Bandanaraike, Leader of the Sri Lanka Freedom Party, was called on to form a Government and was sworn in as Prime Minister on 29th May.

27-28 Meeting in Paris of India Aid Consortium, which agreed on a total aid figure of $1,100 million for 1970-71. On 22nd June Britain announced that its contribution would be £45 million, compared with actual disbursements of £44·7 million in financial aid to India in 1969-70

31 France successfully carried out its biggest explosion of the present nuclear test series in the Pacific.

June

1 Thailand announced decision to send to Cambodia volunteers recruited from Thai citizens of Cambodian origin

3 Announcement of World Bank loan of $40 million to the Industrial Credit and Investment Corporation of India, bringing total World Bank loans to the corporation up to approximately $200 million net

Official opening in Tokyo of Asian Statistical Institute which will train professional statisticians for the governments of developing countries within the geographical scope of the Economic Commission for Asia and the Far East.

4 Tonga terminated its status as a British Protected State (see pp 606-7)

Announcement of loan of $68 million to Indonesia by the IDA, the Asian Development Bank, the US Agency for International Development and the Overseas Economic Co-operation Fund of Japan for a fertiliser plant and related development

The freedom of Port Louis, capital of Mauritius, was conferred on the Indian Prime Minister, Mrs. Gandhi, during a state visit

8-17 Final phase of five-Power exercise, Bersatu Padu, carried out in South-East Asia by forces from Australia, Britain, Malaysia, New Zealand and Singapore.

9-10 Talks in London between delegations from Britain and New Zealand on ways of solving New Zealand's special problems in the event of Britain joining the European Economic Community

11 The UN Secretary General, U Thant, announced that he had proposed holding a 15-member conference on Indo-China

12 Announcement of IDA credit of $27 5 million to India to help finance increased food production in Punjab.

14 In his speech from the throne, the Governor-General of Ceylon said a new constitution would be drafted which, *inter alia*, would declare Ceylon a republic.

17 Opening in Wellington of annual session of the Asian and Pacific Conference (ASPAC) [see 13.9.68 p. 865]

21 Death in Djakarta of ex-President Sukarno of Indonesia He was given a state funeral.

22 Beginning of five-day state visit to the Soviet Union by President Yahya Khan of Pakistan.

Communiqué issued in Colombo announced Ceylon had formally recognised the East German regime.

26 In a major reshuffle of the Indian Cabinet, Mrs. Gandhi took over the Home Ministry, Mr. Swaran Singh became Foreign Minister, Mr. Chavan Minister of Finance and Mr. Jagjivan Ram Defence Minister, and a number of other changes were made.

Announcement of British grant of nearly £135,000 for the construction of hostel accommodation at the University of the South Pacific, Suva, Fiji

Management Education

REPORT ON NEEDS FOR THE 1970s

A report surveying management education in Britain *Management Education in the 1970s Growth and Issues* (HMSO, 20s) was published on 23rd June by the National Economic Development Office

Prepared by Professor Harold Rose of the London Business School, the report contains the results of a research project commissioned on behalf of the National Economic Development Council's Management Education, Training and Development Committee and the Council of Industry for Management Education as an extensive pilot investigation of the demand for and supply of management education in the 1970s

The report is based on the results obtained from the replies to a series of postal questionnaires that were sent to a sample of 225 companies including a relatively high proportion of large companies, and to 70 financial institutions of these, 118 companies and 47 financial institutions responded Information was also obtained from the nationalised industries, industrial training boards the Civil Service, the Trades Union Congress university business schools colleges of further education and other educational centres, as well as from a number of other organisations and individuals

The following is a summary of the main points of the report

The Growth of Management Education

The volume of management education has increased rapidly over recent years. Not only do more industrial companies have management development schemes and more managers attend courses, but interest has already become widespread in, for example, the banks and other financial institutions, the Civil Service, the hospital services and local government Thus management education and development are now associated with most forms of organisational management and not, as in the past, almost exclusively with industry

In 1968 post-experience courses (over one week in length and not leading to qualification) were attended by some 125,000 managers or 8 per cent of all 'managers'. Even so, the present level of activity on all management courses postgraduate and post-experience, is only sufficient to give all managers the equivalent of about six weeks' full-time study over 30 years

Two factors stand out as particularly significant Firstly, the number of postgraduate students is extremely small when compared either with the total number of managers or with the total number of attendances on management courses; post-experience courses account for some 95 per cent of all attendances Secondly, it is clear that companies are themselves responsible for about 75 per cent of all post-experience courses of the type covered in the survey

The Number of Managers

The report estimates the total number of managers in Britain from the census of population and directly from the survey results According to the 1966

sample census of population there were one and a half million managers, representing some 6·2 per cent of the employed population. Of these, some 393,000 were in manufacturing industry and 348,000 in wholesale and retail distribution, representing some 4·7 per cent and 11·0 per cent respectively of the total numbers employed in these fields.

Of the one and a half million described as managers, about half are estimated to be people whose primary function is management, whereas for the other half the element of management responsibility is probably small. The definition of manager used in the census excludes other groups, such as 'accountants, the professions, company secretaries and registrars' (125,000) and 'engineers, technologists and chemists' (792,000) many of whom may also be closely associated with management. Groups such as hospital nursing staff are also excluded. Similarly some proportion of the 955,000 recorded as foremen and supervisors have, or will have, some managerial responsibility. A comparison between the 1961 census and the 1966 sample census shows that the percentage of people classified as managers has increased from 5·6 per cent to 6·2 per cent of the total number employed.

These figures from the census of population are broadly confirmed by the information obtained from the companies covered in Professor Rose's survey, which showed that 5·3 per cent of the total number of employees were classified by their companies as managers. Professor Rose accordingly concludes that there are some one and a half million people for whom courses in management studies are relevant, and that this number is increasing. He also estimates that some 75,000 become managers each year, of whom about 50,000 are required for replacement alone and the remaining 25,000 arise from the increasing proportion of managers in the total employed population. It is estimated that only around 10,000 of these new managers are university graduates and that the balance is recruited from other sources, particularly from among those with professional qualifications.

Management Development Schemes

Management development schemes were operative in some 83 per cent of companies covered in the survey with over 20,000 employees, 55 per cent with between 2,000 and 20,000 employees and only 19 per cent of companies with fewer than 2,000 employees. Where companies have management development schemes significantly more use is made of external management courses.

Post experience Courses

In 1968 about 21 per cent of all managers in the sample went on full-time courses of at least one week, and the proportion planned for 1969 was put at almost a quarter. Three quarters of these attendances were in companies. The companies forecast increases in demand by 1975 of 40 to 50 per cent for one- to four week full time external courses and of some 75 to 80 per cent for longer courses. These estimates are, however, thought to be on the low side and the report concludes that the volume of external post-experience course attendances in 1975 could be nearly double that in 1968.

Postgraduate Courses

There were in 1968 some 1,300 full time postgraduate management students in the university sector, including the London and Manchester Business Schools, and of these about 200 were on two-year Masters' courses. There were also about 800 students in the polytechnics and colleges of technology on full-time and block release courses, and a further 4,500 part-time and evening students, mainly studying for the Diploma in Management Studies.

From a sample of institutions only some 25 per cent of full-time students were found to have had less than six months' business experience but there were wide differences in percentages from different types of institution. The colleges had only 3·9 per cent of their students with less than six months' experience, whereas at the universities 37·7 per cent and at the London and Manchester Business Schools 15·9 per cent were in this category.

About 64 per cent of the students at these institutions had first degree qualifications, 16 per cent had professional qualifications, and 20 per cent had no degree or professional qualification (these were almost all in the colleges and many of them may have had a Higher National Diploma or Higher National Certificate qualification). Of the graduates, over half had degrees in the pure or applied sciences.

In the polytechnics and colleges of technology, although the number of first-year enrolments for the Diploma in Management Studies has been increasing since 1963-64 at 15 per cent per annum, it is thought that this rate of increase is unlikely to be supported by demand and that the average forecast made by the colleges of a doubling of places by 1975 is more realistic

The demand for places on postgraduate courses at university business schools has been high and rising and the present plans to double the number of places by 1975 may be inadequate at these schools, though at polytechnics and colleges of technology they may be sufficient

Doctoral Courses

If it were thought desirable for, say, one quarter of British full-time management teachers to possess a doctoral degree in management subjects in ten years' time, this would require an average annual output over the period of nearly 70, implying a doctoral student population rising to around 300 to 400 in the late 1970s against a mere 50 today

The Teachers

In the institutions covered (excluding permanent company and industry centres) there were about 1,060 full-time teachers, 450 service teachers (i.e. from other academic departments) and some 600 part-time teachers Company centres are estimated to have only about 100 to 150 full-time teachers and appear to rely mainly on some 1,000 to 1,500 part-time teachers drawn from various sources.

There appear to be serious recruiting difficulties over a wide field, but individual institutions mentioned shortages in different areas according to the pace and nature of their own expansion

Industrial Reorganisation Corporation

ANNUAL REPORT AND ACCOUNTS

The annual report and accounts of the Industrial Reorganisation Corporation (IRC), published on 8th June, show that in the year ended 31st March 1970 the IRC, in its third full year of operation, completed 24 projects extending over a broad spectrum of industrial activity from bacon curing to numerically controlled machine tools. There was a surplus on its operations of £835,000 before taxation and a dividend payment to the Ministry of Technology of £500,000, compared with a surplus in the previous year of £1·6 million. The IRC, proposed by the Government in 1966 [see 18.2.66 p. 242] and established in the following

year, is an independent statutory body concerned with improving the performance of British industry, primarily by encouraging structural reorganisation but also, in certain circumstances, by enabling individual companies to proceed with schemes of expansion and modernisation

The report states, in a preamble, that the maintenance of Britain's improved economic performance depends essentially on the soundness of the visible account in the balance of payments, this, in turn, depends on the sustained performance of manufacturing industry in competing with imports and generating exports. The IRC identifies its own role in the promotion of industrial efficiency and profitability under three main headings reorganisation, stimulation and selective investment

Reorganisation

Over the last three years, the bulk of the IRC's work has been devoted to effecting reorganisation through company mergers Its most far reaching interventions, such as those in the motor, computer, electronic and electrical goods, scientific instrument and ball bearing industries, have led to the creation of units which can compete successfully in world markets The report acknowledges that size has no absolute merit and mergers do not in themselves create viable units However, they do permit improved plant utilisation, more concentrated effort in export markets, financial strength and economies of scale in research and development and capital expenditure programmes In some circumstances, the report points out the breaking up and rationalisation of existing groups is more effective than the formation of large units The IRC is now completing one such operation in the ball bearings industry and special steels industry

Stimulation

Observing that there is a continuing need for an active policy to promote reorganisation, the report states that poor performance in many sectors of industry is not always the result of fragmentation Low productivity, late delivery and lack of management control characterise many companies which are already large enough for viability Where appropriate, the IRC is using its influence to stimulate effective and profitable reform in such companies without recourse to mergers and acquisitions. In all its dealings with managements, the IRC proceeds by advice and persuasion and in the past year has reached agreement on every case Only where there is a compelling identifiable national interest', the report states, would the IRC directly intervene in a contested situation

Selective Investment

Despite investment grants and an effective capital market, investment in manufacturing industry has remained at a lower level in Britain than in many other competing countries The IRC's capacity to assist investment is not intended to raise the general level of capital expenditure, but to establish priorities between different industrial sectors and to obtain the maximum return for a limited commitment The sectors of principal concern to the IRC are typically those of high growth, key exporters, capital goods and component suppliers. In evaluating schemes falling within these categories, the IRC applies the same overall criteria as determine its restructuring role improvements in productivity and in the balance of payments. Before providing development finance, the IRC must be satisfied that the money is not available from any other sources, and that its contribution will show a commercial return.

Since its inception, the IRC has invested £80·5 million, of which £22·6 million was in ordinary schemes or convertible loans. In the year under review

the totals were £30 million and £9·7 million respectively. The report state: the IRC's policy is to turn its funds over as quickly as possible and to di of its shareholdings at an appropriate time as soon as the necessary reorg tion and management changes have been implemented. The board of the has decided to pay the Minister of Technology, with his approval, a div on its public dividend capital of £500,000 gross, the balance being carried for The surplus after tax for the year showed a reduction of £400,000 on the pre year. This was due partly to the renegotiation of the IRC's loan to Fi Electric following the merger with General Electric Company, part of entailed the receipt of 19 months' interest in 1968-69 and an interest-free p in 1969-70. Further, during the latter year, loans totalling £3½ million outstanding on which, initially, no interest accrues

Major Activities

The following is a selection of the main projects with which the IR been concerned during the year, chosen not by size but by the extent to they illustrate the diversity of the corporation's activities

The IRC has been particularly concerned with the *machine tool in* both as a major capital goods supplier and exporter. It feels that the u need is for increased capacity and productivity, enabling the industry to permanently to a higher level of output with an export ratio of one-hal encourage new investment, loans have been made to two specialist comp both of which are technical leaders in their fields, and other firms are exp to receive similar assistance During the year, the IRC made a major eff stimulate numerical controls for machine tools, the corporation found in this sector, four small British companies were attempting to compete a number of large and well established international groups The IRC a for concentration of the British industry and was able to offer financial su for the establishment in Scotland of a new group comprising three of the companies [for further developments in the machine tools industry see p

The IRC was associated with an important move in the *aircraft equi industry* through its support for the acquisition by Joseph Lucas of the S Products Group (SPG) of English Electric This operation was an ex of the importance the IRC attaches to promoting the movements of of undertakings in order to produce a more rational framework Lucas no a substantial and growing business in this sector, providing an adequate from which to develop further its European operations, to which the SP make a valuable contribution

In the large and diverse *mechanical engineering* sector, the IRC has cont to build up a detailed knowledge of strengths and weaknesses and has supp several useful moves. The Steel Group's acquisition of Priestman Bro with IRC support, gave it a stronger product range in *materials handling construction equipment* and a better overall marketing strength, partic overseas. In the *pump* industry, the IRC supported further evolution o international co-operation between the United States group, Studeb Worthington and the UK Weir Group.

LOANS FOR ROLLS-ROYCE AND BRITISH LEYLAND

It has been announced, since the preparation of the report, that two of Bri leading industrial companies, Rolls-Royce and the British Leyland M Corporation (BLMC), are to receive loans of £20 million and £10 million re tively from the IRC. Although the loans are for different purposes to pr a secure financial platform for the launching of advanced development pr

(Rolls-Royce), and to stimulate specific orders for the British machine tool industry from one of its largest customers (BLMC)--they are both examples of the IRC's provision of finance which may facilitate rationalisation or lead to other substantial economic benefits, particularly in terms of exports, and more rapid technological advance

Rolls-Royce

Details of the IRC loan to Rolls-Royce coincided with the announcement on the 19th May that in 1969 the company's pre-tax profits had fallen by £9·5 million to £6 4 million; this fall stemmed primarily from three factors which together more than offset the improvements in productivity achieved by the company during the year The factors were a drop of £20 million in revenue, a non-recurring loss of about £2 million on fixed price development contracts for British and foreign governments, and cost escalation in excess of amounts recoverable from deliveries

Rolls-Royce also stated that it was making a provision of £20 million against the risk of not fully recovering the development costs of its *RB211-22* advanced technology aero-engine In 1969 the *RB211-22* was chosen as the power unit for the United States Lockheed *Tristan* airbus, in an order with a potential value (depending on the aircraft's sales) of some £1,000 million (see 26 9 69 p 842) The Rolls-Royce statement said that the development of the engine and the application of carbon fibre materials the use of which in the manufacture of fan blades is being pioneered by the company was proving more expensive than anticipated, in addition, it was also financing the development of several other engines for British and overseas customers The cost of these developments', the statement continued, 'is too great to be met from the profits arising from our current commercial business and places a heavy burden on the company's cash resources' This situation is thought likely to continue until 1972, the first full year of *RB211* production The IRC loan is intended, in effect, to provide bridging finance for the interim period

The loan is to be made in two tranches of £10 million, with the second instalment, if it is necessary, dating from April 1971 The initial loan, carrying an interest rate of 7½ per cent, will extend over a seven-year period, after which it may either be redeemed or converted into Rolls-Royce ordinary shares which will be held by the IRC Should the IRC opt for the latter alternative it has undertaken not to retain its investment on a permanent basis It will, however, be represented on the Rolls-Royce board while it continues to hold a substantial interest in the company

British Leyland Motor Corporation

Unlike the loan to Rolls-Royce, that to BLMC does not represent a straight injection of capital In May 1968 the IRC made a loan of £25 million to facilitate the establishment of BLMC through the merger of British Motor Holdings and Leyland Motors (see 1 3 68 p 210) The new loan, details of which were outlined on 1st June, will be made in four instalments each repayable after three years. The first two will be available to the company whenever it wants them and the others at intervals of six months The interest rate will be negotiated on renewal. BLMC will inform the IRC of its medium and long term requirements for machine tools and the suppliers with whom it intends to place the orders. The IRC will investigate the company's plans and allocate the loan money to purchases which it approves.

This is the first occasion on which the IRC has offered a loan to encourage dealings between suppliers and purchasers in the private sector. When investment grants are added to the loan it represents spending power of about £14 million, which is approximately equivalent to BLMC's annual expenditure on machine

tools. Commenting on the arrangement, the managing director of the IRC, Mr. Charles Villiers, said that he saw it as a 'trigger' fund which would help the IRC to steer machine tool orders. He added that he would be willing to consider making a similar plan with other major purchasers of machine tools.

The IRC has already lent some £7 million to companies within the machine tool industry. In one case, a loan of £2·5 million was earmarked to expand capacity at a factory making special machine tools for the vehicle and electrical industries.

Economic Development Committee Reports

Three further reports by Economic Development Committees (EDCs) for particular industries and trades have been published[1] by the National Economic Development Council [see 13.3.70 p 271 and 10.4.70 p 367]. The titles of the reports are *Economic Assessment to 1972. Industrial Report by the Hosiery and Knitwear EDC*/*Rubber EDC* and *Distributive Trades Little Neddy*, General Report 1969-70.

HOSIERY AND KNITWEAR

The hosiery and knitwear industry comprises about 1,000 firms producing hose, outer and underwear garments from weft knitted fabrics, and weft knitted fabrics for use outside the industry in apparel and domestic furnishings. The industry also includes some firms which undertake commission dyeing and finishing of weft knitted garments and fabric. Although a substantial number of mergers and acquisitions have taken place, small firms, with less than 100 employees, are numerically predominant.

The report forecasts that, given the rapidly expanding potential in both home and export markets, the period to 1972 will be one of great opportunity for the industry. Home demand is expected to grow at an average rate of approximately 8 per cent a year to reach £474 million (at 1968 prices) by 1972. This compares with a projected growth of demand of 3 per cent annually for all clothing, and reflects a continuation of the swing from woven to knitted fabrics for garment manufacture. The share of the home market supplied by imports is predicted to increase from 13 per cent in 1968 to one-fifth in 1970; this, the report observes, presupposes an average growth-rate of imports of some 20 per cent a year—due principally to competition from low labour cost countries supplying cheap and medium priced knitwear. However, a substantially faster rate of import expansion could be generated by cost inflation in the low and medium price range of British goods. Exports are also expected to grow rapidly over the period to 1972, by which time they should account for about one-fifth of output; an average rate of some 18 per cent a year is envisaged by the EDC, although a higher rate is seen as feasible if there is a significant increase in the number of firms selling overseas and the commencement of an export trade in mass-produced medium quality garments.

Total employment in the industry is expected to increase by about 3 to 4 per cent over the period, so that the projected 35 per cent increase in output must come mainly from a continued rise in output per head at an annual rate of 7 per cent, just over half the rate achieved in 1968 and 1969. In making forecasts of home demand and production, the EDC has assumed relative price

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[1] Available free from the National Economic Development Office, 21/41 Millbank, London SW1.

and wage stability. This can only be maintained though the steady replacement of existing knitting machinery by the most efficient machinery now available and the introduction of improved production control, operative training and work reorganisation. In order to help the industry to continue to improve its productivity, the EDC has initiated two projects. One is aimed at establishing standards and procedures for better use of materials in the manufacture of jersey fabrics. The other project concerns the making up of women's jumpers and cardigans and is intended to identify the production times and factors affecting performance which are being attained in an international selection of efficient companies.

Statistics of capital expenditure by firms within the industry are not available, but investment is thought to be proceeding at a level sufficient to provide the capacity required by the output forecasts. The report feels, however, that greater resort to shift working is likely to be necessary, particularly to ensure the profitable use of new machinery.

The report concludes with a summary of a number of important implications of this economic assessment. It states, firstly, that there should be a shift of resources into areas of rapid and profitable growth, a process which could be accelerated by the natural growth of many medium sized firms, further mergers, and rationalisation within existing groups. Secondly, a rate of productivity growth not lower than the forecast will have to be maintained to achieve price stability, to grant wage increases and improve profitability. Thirdly, more effective marketing and design is needed to take advantage of export opportunities, to maximise consumer demand and to resist import penetration. Finally, the EDC calls attention to the "potentially serious" fact that Britain draws a much higher proportion of its imports from developing countries than do other developed nations. The report therefore considers that the Government should seek a more equal sharing of the burden, possibly through participation in international discussions on the regulation of low cost imports.

RUBBER

The rubber industry accounts for about 1·4 per cent of total employment and 1·6 per cent of manufacturing output. In 1968 direct exports (£66·3 million) and imports (£40·3 million) were respectively 1·3 per cent and 1·1 per cent of the UK totals for manufactured goods. The industry comprises three distinct sectors: tyres (1968 turnover £245 million), general rubber goods (£250 million), and footwear (£10 million). Approximately 70 per cent of total turnover (£505 million in 1968) goes to the transportation industry.

The report notes that tyre manufacture is international, and the UK industry is strongly placed, despite the relatively slow growth of the home market during the 1960s (for details of the tyre industry's structure see 27.3.70 p. 314). Since production is carried out in all sizeable markets, exports are not expected to grow rapidly, however, Britain's favourable trade balance in tyres is expected to increase from £20·6 million in 1969 to £21·4 million in 1972 and to £22·1 million in 1975. This follows the setback experienced in 1968, when imports rose sharply to meet the high demand resulting from the introduction of tyre safety legislation.

The EDC states that, owing to uncertainty in the home market in 1969 and to credit restrictions in general, a critical re-examination of the tyre industry's investment plans is currently taking place. Most manufacturers feel that until home market prospects improve, investment programmes are likely to be set back and the industry's international competitiveness will be prejudiced.

The general rubber goods sector covers a wide range of industrial components such as hose, belting and seals, and some consumer goods. Projections based mainly on historical data suggest that the favourable trade balance

in general rubber goods may increase from £40 million in 1969 to £43·3 million in 1972 and £47·7 million in 1975. Overall, the EDC expects that plant and other resources will be adequate to meet projected demand in this sector.

The industry's footwear sector comprises the manufacture of industrial and protective boots, canvas topped sports and casual shoes, and house footwear of rubber and plastic. With low cost imports forming a large share of the market, there was an adverse trade balance in 1968 of some £10·3 million British manufacturers are unable to compete with these low cost items (some of which have been the subject of anti-dumping applications by the industry) and are concentrating on the market for goods of better quality Exports, formerly very small, have recently risen, but further expansion is not envisaged in the period to 1975, the adverse trade balance is not therefore expected to diminish

The EDC is conducting a study on the profitability of the smaller firms in the rubber industry which in general is thought to be low It also intends to support the National Joint Industrial Council's efforts to consolidate the industry's system of productivity bargaining. The report concludes with a recommendation that the Government should further assist the industry's efforts at import substitution, by permitting the disclosure of importers' identities, except where importers could reasonably claim that this would damage their business.

DISTRIBUTIVE TRADES

The fourth general report of the EDC for the Distributive Trades was issued in May. It falls into four main sections, dealing with the economic outlook for the distributive trades; research into general problems advice to firms in the industry and government measures affecting distribution

Economic Outlook

The report states that the EDC has completed an assessment of the outlook for the distributive trades to 1972 and is now in the final stage of a major study of the pattern and capacity of shopping needed in the 1980s. Among the main conclusions reached about future trends are that retail sales will grow more slowly than total expenditure, that sales by non-food shops will grow faster than those by food shops, and that there will be a fall in the number of persons employed in both retailing and wholesaling.

General Problems

Studies undertaken by the EDC on the general problems of the distributive trades include an inquiry into the channels and costs of distribution in the North-East Region; a study of labour utilisation and warehouse operation in wholesaling: a joint investigation with the agriculture and food manufacturing EDCs into the marketing problems affecting the competitiveness of home produced foodstuffs with imports; and co-operation with the Business Statistics Office in devising ways in which the response to the 1971 census of retail services can be improved.

Advice to Firms in the Industry

As a result of its various studies, the EDC has published several booklets giving advice to firms on how to tackle particular problems including stock control, staff training, and accounting. The Distribution Computer Group, sponsored jointly by the National Computing Centre and the EDC, exists to encourage the effective use of computers by traders. The report states that

the EDC has been examining ways of improving consultancy services available for traders, particularly small traders; the EDC's Voluntary Group Panel already gives advice to traders who wish to form new voluntary trading groups

Government Measures Affecting Distribution

The EDC occasionally has an opportunity to comment on changes in legislation before they are introduced, and ' has urged Government to pay more *attention to the needs of distribution when framing legislation*', particularly where the legislation seems likely to affect the efficiency of the distributive trades

North Sea Gas and Oil

Some recent developments concerning North Sea gas and oil are recorded below.

New Exploration and Production Licences

On 8th June the Minister of Technology announced the award of a third round of exploration and production licences in the North Sea and in the Irish Sea Applications were invited in September 1969 see 7.11.69 p 1018) for licences covering 157 blocks in the North and Irish Seas, equivalent to 140 full blocks, each of 100 square miles Thirty licences are now to be awarded to 24 companies and groups (see table) The licences comprise 94 blocks covering some 19,000 square kilometres (nearly 8,000 square miles) Twenty-seven licences cover 83 blocks in the North Sea and 3 licences cover 11 blocks in the Irish Sea Further applications are under examination and the results will be announced later

The present award of 30 licences covering 19,000 square kilometres compares with the 1964 and 1965 allocations of 53 licences covering 80,000 square kilometres and 37 licences covering 26,000 square kilometres respectively

The minimum work obligations incorporated in the licences now awarded involve the expenditure of about £34 million on seismic and drilling work during the next six years In the 1964 and 1965 rounds of licence awards the figures were £80 million and £30 million respectively

If the options offered by various companies and groups to the Gas Council and the National Coal Board (NCB) are exercised, the British interest in the new areas to be licensed will be about 50 per cent, of which almost half will be held by the nationalised industries In 1964 the British share was about [illegible]0 per cent including 3 per cent held by the nationalised industries, and in 1965 the British share was 37 per cent including 11 per cent by the nationalised industries Hydrocarbons Great Britain Ltd, which has been granted a licence in the Irish Sea, is a wholly owned subsidiary of the Gas Council, formed at the request of the then Minister of Power see 7.11.69 p. 1018] to enable the Gas Council to explore independently in the Irish Sea.

North Sea Oil

At the end of April it was announced that a possibly significant oil discovery had been made in the Norwegian sector of the North Sea. The strike was made by Phillips Petroleum as operator for a four-company group consisting of Phillips (36 96 per cent share), Petrofina (30 per cent), Petronord (20 per cent) and AGIP (13 04 per cent). The well is in the Ekofisk structure and lies 185

miles south-west of the Norwegian coast and 200 miles east of Aberdeen, close to the median line between the Norwegian and British sectors of the continental shelf.

In June it was confirmed that test drillings indicate that the well is capable of producing 10,000 barrels of oil a day. Further test drilling is planned but it has been estimated that the field may contain between 3,000 million and 6,000 million barrels of recoverable reserves and produce some 300,000 barrels a day. If these expectations are fulfilled this would represent some 14 per cent of British requirements or just under 3 per cent of total West European consumption at present levels. The new field lies some 50 miles south-east of Codfield, which is also in the Norwegian sector and is the site of Phillips's previous find of gas condensate and natural gas.

Previous exploration in the North Sea has produced mainly natural gas. The Ekofisk strike is the first of likely commercial significance, although the Tenneco (US) group has subsequently obtained 2,000 barrels a day from a test well in the Dutch sector. So far only traces or non-exploitable quantities of oil have been found in the British sector by Burmah Oil, by Total and by the Gas Council/Amoco group. The search has been intensified in the light of discoveries in other sectors, particularly off the east coast of Scotland where

NORTH AND IRISH SEAS THIRD ALLOCATION OF LICENCES

Firm or Group	Licences	Blocks
Amoco (UK)	1	5*
British Petroleum	[illegible]	[illegible]
British Petroleum/Hamilton Rio Tinto group	1	2
Ball and Collins group	1	6
British Sun Oil group	1	3
Conoco/NCB	1	2
Hamilton/Home Oil of Canada group	1	1
Hydrocarbons Great Britain	1	1*
Gas Council Amoco group	2	7
Gulf Oil (GB)/NCB	1	5*
Gulf Oil (GB)/Conoco NCB group	2	10
Mobil	1	3
North Sea Ventures	2	3
Pan Ocean/Syracuse (UK)	1	2
Phillips/Fina/AGIP group	2	5
Phillips/British Petroleum group	1	4
Phillips/Arpet group	1	1
Placid Oil (GB)	1	1
Ranger (UK)/Scottish Canadian	1	4
Rio Tinto	1	3
Shell (UK)/Lsso	2	11
Total Oil Marine group	1	3
Texaco	1	3
North Australian Petroleum group	1	2

* Irish Sea blocks

Source Ministry of Technology

British Petroleum, Shell, Esso, Phillips, Texaco and Gas Council/Amoco are currently drilling. The Conoco/National Coal Board partnership also has a mobile exploration rig in the North Sea

Progress of the Industry

The rapid adoption of natural gas as a fuel in Britain is shown in statistics published by the Gas Council on 1st June In the first three months of 1970 natural gas accounted for more than half of total supplies for the first time

In the year ended 31st March 1970, gas output in Britain reached a record level of 5,742 million therms, an increase of 11 per cent over 1968-69 In 1969-70 natural gas accounted for 46 per cent of the total, compared with 24 per cent in the previous year.

At the end of March the appliances of more than 1 5 million of the gas industry's 13 3 million users had been converted to burn natural gas Ten of the 12 area gas boards have so far started their conversion programmes and the Scottish and South Western Boards will start during 1970. It is planned to convert a further 2 1 million customers' appliances during the year ending March 1971.

The Gas Council has been given approval for a third gas terminal, to be built near Mablethorpe, Lincolnshire The terminal which will ultimately have a processing capacity of 3,000 million cubic feet a day, will handle gas from the Viking Field, discovered by the Conoco NCB partnership (see 7 11 69 p 1019) The company will construct an 80-mile marine pipeline between the field and the terminal

Race Relations

REPORT OF THE COMMUNITY RELATIONS COMMISSION

The second annual report of the Community Relations Commission, which was established as a statutory body under the Race Relations Act 1968 to promote harmonious community relations, was published on 23rd June (HMSO, 4s 6d). It discusses developments in community relations during the year ended March 1970, describes the work of the local community relations councils, whose activities it co-ordinates, and outlines the programmes undertaken by the commission's Advisory Committees on Education and Employment which were set up during 1969. The report also describes progress made in the fields of health and welfare, housing, and in relations with the police

During 1969-70 a government grant of £300,000 was made to the commission: expenditure of £395,000 has been authorised for 1970-71

Community Relations

The report says that the commission has been operating at a time when increasing public attention has been focused on all aspects of race and community relations. Britain has never been so race conscious as in 1969-70 and this awareness has been reflected in the development of local activity, in the increased volume of research being conducted by independent organisations and universities and in the heightened interest displayed in the mass media of communication. There is general agreement, says the report, that the Race Relations Act 1968 has been effective in providing machinery for dealing with discrimination. It is also having a positive effect in contributing to the education of public opinion on race and community relations The commission recognises its function as being to combat prejudice by persuasion and education, by positive measures to promote understanding and by explaining and interpreting the cultures and backgrounds of the different ethnic groups to the host community and vice versa.

The report considers that the climate of opinion during the period under review has been ' fairly fluid ', though not unfavourable to the achievement of the commission's objectives and the development of its work. On the credit side, the spread of information and knowledge and the deepening awareness among the public generally brought a greater degree of tolerance and understanding. The growth of activity in specialist and professional groups like educationists, social workers and the police and their genuine desire to co-operate at national and local level were heartening features, says the report. The development of joint social activities, particularly for young people, and the campaign for multi-racial playgroups were of especial value in breaking down barriers and building up goodwill. On the other hand, continues the report, the increase in publicity produced its disadvantages. ' Manifestations of hostility towards coloured people in certain quarters became more evident and were encouraged by the attitudes of a few politicians. Even if the impact of some of

the most reactionary speeches became dimmed through constant repetition the views expressed attracted considerable support among some sections of the public. They tended to engender among many immigrant groups a deep sense of resentment and mistrust which will not easily be dispelled.'

Among the many concrete advances of the past year, continues the report, the commission has been particularly encouraged to note the way in which more and more immigrants are playing a full part in society and making a valuable contribution in the professions and in the field of public service at all levels. It is estimated that there are now about 1¼ million coloured people from Commonwealth countries in Britain, representing about 2 per cent of the population. They have made an important contribution to the country's economic and social life, says the report.

Meaning of Integration

The commission recognises, continues the report, that in any society, multi-racial or not, there will be a development of social groupings, on the basis of common interests or ideas. Where the society is multi-racial, many groups will be focused on nationality and culture and this is the situation in Britain today. Such groupings are natural and nobody would wish to see some kind of monolithic society established in the interests of theoretical 'integration'. In the view of the commission, integration means the opportunity for all the people of Britain to live and work side by side in an atmosphere of mutual trust and tolerance. The commission therefore hopes that the immigrants and their children will come to play an increasing role in British public and social life, rather than withdraw into enclosed communities. The country has, in the past, welcomed people of many diverse nationalities and cultures and its social life has been broadened and enriched thereby. This applies equally to coloured citizens from the Commonwealth.

Local Activities

In discussing the activities of local community relations councils the report says that good community relations depend upon the initiative and energy of the local organisations working in the field. Local councils and their officers were strengthened during the year and at the end of March 1970 there were 47 full-time community relations officers serving 46 councils in England and a further 11 posts were in process of being filled (including four posts in Birmingham whose grant from the commission was increased from £3,500 to £14,000 during the year). There are at present no community relations councils in Scotland but plans are in hand for the formation of a council in Glasgow and for work to be organised in Edinburgh, Dundee and Aberdeen.

The report says that the help given to local community relations councils by local authorities varies widely. In some areas they are unstinting in their help, whether in cash or in the provision of accommodation, secretarial help and other services. The composition and effectiveness of councils varies according to local circumstances, the size and composition of the immigrant population, the ethnic groups represented, the social and economic conditions in the area and the attitudes of the host community. The commission wants to ensure that local councils are representative of as large a number of organisations within the community as possible. Many councils have sub-committees dealing with employment, housing, youth, education and social welfare. Several issue newsletters. Many concentrate on community activities, including summer playgroups, youth clubs and community weeks; nearly everywhere there is growing emphasis on educational activities, such as conferences on race relations, language classes and film shows.

Education

The report says that, fundamentally, it is through education that racial discrimination can be reduced and the commission has concentrated a substantial part of its resources on developing educational work. The Advisory Committee on Education which was set up in 1969 is undertaking a national campaign to further the idea of education for a multi-racial society. The committee has set up four working parties on teacher-training and curriculum development, the linguistic needs of the immigrant population, post-school education in community relations; and liaison with local education authorities.

Grants made by the commission for educational purposes included £3,000 to the University of York for a summer language project in Huddersfield in which about 100 Asian children were given English teaching for a month by students. The experiment was considered to be of great value both to the children and the students and further projects are planned for 1970 [see 19.6.70 p. 595].

Employment

The Advisory Committee on Employment which was also set up in 1969 aims to encourage employers to adopt positive employment policies for the recruitment, training and promotion of coloured workers and to persuade trade unions to provide their members with more information about race relations. The committee includes representatives of the Confederation of British Industry, the Trades Union Congress, the Department of Employment and Productivity and the Central Youth Employment Executive. The commission has translated into four Asian languages a Department of Employment and Productivity guide to newcomers to industry and has advised the Central Youth Employment Executive on the production of a careers brochure aimed at the parents of coloured school-leavers. The commission has sought to encourage Industrial Training Boards to convince employers of the advantages of arranging language classes at work for those who do not speak English and to inform firms of the grants available from the boards. There has been close co-operation with the Industrial Society[1] in holding courses for shop stewards, junior management and apprentices while business schools, universities and colleges of management have been urged to include the subject of race relations in their curricula.

All the evidence suggests, says the report, that the Race Relations Act has had the practical effect of reducing discrimination in the field of employment and that more employers are adopting positive policies. The decision of the National Westminster Bank to recruit more coloured staff was a welcome indication of this trend. Wherever possible, top management should become involved and give a lead throughout the company.

Health and Welfare

Impressive progress was made during the year, says the report, in matters involving the health and welfare of immigrants, particularly women and children. The main emphasis was on the establishment of multi-racial pre-school play groups, not only as a means of bringing together children of various nationalities but also to provide relief to mothers. The centres give an opportunity for mothers who do not normally mix in the community to accompany their children and meet other mothers. In many areas community relations councils have started social clubs at the play centres where Asian women are helped to adjust to life in England and to learn the language. Many playgroups continue to receive

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[1] The Industrial Society is an independent body widely supported by companies, nationalised industries, government departments, employers' associations and trade unions, whose object is to improve relations in industry and commerce so that people may give of their best to their work.

support from the Special Fund of £50,000 received from the Calouste Gulbenkian Foundation, and with the development of the Government's urban programme of aid to socially deprived areas [see 3.1.69 p. 47 and 28.2.69 p. 232] more local authorities are able to assume financial responsibility. Other activities undertaken include home safety and fire prevention campaigns supported by leaflets in English and Asian languages.

Youth and Community

The commission is fully aware of the difficulties facing immigrant adolescents, says the report, and has become increasingly concerned with the means of surmounting them. It believes that the best solution is to develop social contacts between white and coloured young people and to encourage joint leisure activities. During the year the commission was represented at training courses for youth leaders and at discussions with youth officers and tutors. It has encouraged such multi-racial activities as summer camps, outings, and youth and sports clubs.

Housing

The commission considers that housing probably presents one of the biggest potential sources of tension in race relations. A conference was convened in January 1970 to evaluate the work of the three Fair Housing Groups in Manchester, Nottingham and Sheffield which have been financed by grants from the Gulbenkian Foundation. The report says that the extent to which action by housing groups of community relations councils can influence the rate of house-building or conversion is clearly limited but valuable work can be undertaken in the following ways: (1) basic research and fact-finding about the local housing situation and people's needs, (2) advice and guidance to those in need of homes, (3) acting as a channel of communication with local authorities, (4) co-operation with other bodies concerned with housing, especially housing associations, (5) preparation of white residents for the arrival of coloured families, and (6) influencing and involving such professional groups as estate agents and solicitors. The publication of the Cullingworth Report on Council Housing [see 13.2.70 p. 174] provided excellent background material for an understanding of the problems faced by all sections of the community seeking local authority housing and included a particular examination of the problems faced by immigrants.

Relations with the Police

The report says that the commission has paid a great deal of attention to the relations between immigrants and the police and has undoubtedly played a part in helping gradually to break down misunderstanding on both sides. Members of the commission have taken part in conferences and training courses for police officers, and individual police forces have provided courses on race relations. An encouraging development has been the growth of co-operation between local police and community relations councils in many parts of the country. In several places police cadets have taken part in multi-racial school holiday projects.

Information Work

The commission considers that the education of public opinion holds the key to the improvement of community and race relations in Britain and in this connection the major task of the commission lies in spreading factual information about immigrants and dispelling the myths that arise from time to time. This is a continuing task and the commission has to rely very much on the efforts

being made by others, as well as in the co-operation of the mass media. Television authorities devoted an increasing amount of time to programmes about race relations, usually in the form of documentaries or discussions. The information department has developed a translation service into Bengali, Urdu, Punjabi and Gujerati both for its own material and for factual and welfare leaflets on behalf of government departments. The commission issues a monthly bulletin *CRC News* and a quarterly journal *Community*. It is also building up a stock of audio-visual aids.

Government and Administration

Publication of Proceedings in Parliament Second report of the joint select committee. Recommendations include a proposal that absolute privilege should attach to the live broadcasting of a complete parliamentary proceedings, but qualified privilege only to extracts from, or abstracts of such proceedings	HMSO, 6s 6d

Economic and Scientific Affairs

Resources for the Developing World: The Flow of Financial Resources to Less-Developed Countries 1962-68. A reference book published by the Organisation for Economic Co-operation and Development (OECD) which contains a description of the development assistance activities of each of the 17 members of the Development Assistance Committee of OECD (see 30.1.70 p. 115) and gives statistical tables of financial flows, both official and private, to developing countries. There are appendices on economic aid given by Communist countries, on current concepts and definitions and on the effects of price changes on official flows	HMSO, 40s
Directorate of Overseas Surveys. Annual report for the year ended 31st March 1969	HMSO, 16s
Management Education in the 1970's: Growth and Issues. Report by Professor Harold Rose. National Economic Development Office (see pp. 620-2)	HMSO, 20s
Industrial Demand for Transport. Report to Ministry of Transport by B. T. Bayliss and S. L. Edwards	HMSO, 40s
Economic Prospects to 1972: A Revised Assessment. Treasury	HMSO, 3s
Changing Structure of Agriculture	HMSO, 6s 6d
North East Development Council. Ninth annual report, 1969-70	North East Development Council, free
Distributive Trades Little Neddy, General Report 1969-70. National Economic Development Office	NEDO, 21/41 Millbank, London SW1, free
*A Look at **Wholesaling*** Report to the Wholesale Sub-Committee on the use of labour in wholesale warehousing. National Economic Development Office.	NEDO, 21/41 Millbank, London SW1, free

Britain's Invisible Exports.	COI, RF.P.5852/69
Motorways and Trunk Roads. Fact Sheets on Britain.	COI, R.4735/6
Notes on Science and Technology in Britain: No. 1 Molecular Biology	COI, R.5476
Anti-Locust Research Centre.	COI, R(SN), 5878/70

Social and Cultural Affairs

Report of the Community Relations Commission for 1969-70 (see pp. 632-6).	HMSO, 4s 6d

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Contents

Queen's Speech on the Opening of Parliament

The first session of the forty-fifth Parliament of the United Kingdom was officially opened on 2nd July. The Queen's Speech, outlining the Government's policy for the forthcoming session, was as follows

My Lords and Members of the House of Commons

My Husband and I look forward to our visit to Canada on the occasion of the centenaries of the Northwest Territories and of the Province of Manitoba.

The major international interests of Britain are the maintenance of peace, the promotion of prosperity, the settlement of disputes by conciliation and agreement, and the encouragement of trade and peaceful exchanges between nations.

My Government have welcomed the opening on the 30th of June of negotiations for membership of the European Communities In these negotiations they will seek to reach agreement on terms fair to all concerned and will remain in close consultation with our Commonwealth and EFTA partners and with the Irish Republic.

My Government will work for the maintenance of the defensive strength of the North Atlantic Alliance and for a genuine reduction of tension in relations between East and West in Europe

My Ministers will take a full part in the meeting of Commonwealth Heads of Government in Singapore in January 1971 They will co-operate with our Commonwealth friends in measures aimed at maintaining peace and stability in Commonwealth countries in South-East Asia.

My Government will work for a fair and lasting peace in the Middle East and for a settlement of the conflict in Indo-China. They will consult with leaders in the Gulf on how our common interests in that area may best be served.

My Government will make a further effort to find a sensible and just solution of the Rhodesian problem in accordance with the five principles.

In this 25th Anniversary year of the United Nations, which opens the Second Development Decade, My Government will lend their full support to international efforts to strengthen peace, to promote disarmament and to further world economic development. They will pursue an expanding aid programme and will seek agreement on tariff preferences for developing countries.

My Government will work for the development and progress of Britain's dependent territories.

A Bill will be placed before you to provide for the independence of Fiji.

My Government will review the role and size of the Territorial and Army Volunteer Reserve.

My Ministers will support the Northern Ireland Government in their efforts to promote peace and harmony among all communities on the basis of equality

and freedom from discrimination, and to further the prosperity of the Province. I have noted with pride the patience, skill and fortitude with which My Armed Forces are carrying out their difficult task.

Members of the House of Commons

Estimates for the public services will be laid before you.

My Lords and Members of the House of Commons

At home My Government's first concern will be to strengthen the economy and curb the inflation. Rising production and a steadily growing national income must provide the resources for improving the social services and the environment in which we live. The energy and enterprise needed to achieve this will be encouraged by reforming and reducing the burden of taxation, providing new incentives to saving and liberating industry from unnecessary intervention by Government.

My Ministers attach the greatest importance to promoting full employment and an effective regional development policy. They will stimulate long-term growth in the less prosperous areas by increasing their economic attractions and improving their amenities.

My Ministers will start discussions with a view to encouraging agricultural expansion by changes in the present system of financial support. They will promote the efficient development of the fishing industry.

The work of the Industrial Training Boards will be reviewed and the facilities for re-training and for management training improved and extended.

A Bill will be introduced to establish a framework of law within which improved industrial relations can develop and a code of practice will be prepared laying down standards for good management and trade union practice.

My Government believe that vigorous competition is the best safeguard for the consumer. They will carry out a review of company law.

My Ministers will pursue a vigorous housing policy with the principal aim of improving the position of the homeless and the badly housed. After consultations with local authorities, housing subsidies will be refashioned so as to give more help to those in greatest need. Home ownership will be encouraged.

My Government will expand educational opportunities as growing resources make this possible, with priority for the improvement of primary schools. An inquiry will be instituted into teacher training. Local authorities in Scotland, as in England and Wales, will be set free to take effective decisions on the organisation of their schools.

Responsibility for primary and secondary education in Wales will be assumed by the Secretary of State for Wales.

Legislation will be brought forward to provide pensions for persons now over 80 who were too old to enter the present insurance scheme and for certain younger widows and to provide a constant attendance allowance for the very seriously disabled.

Legislation will be introduced on Commonwealth immigration. More assistance will be provided for areas of special social need, especially those in which large numbers of immigrants have settled.

Effect will be given to the recommendations of the Boundary Commissions for the redistribution of Parliamentary seats.

Proposals will be worked out, in full consultation with all concerned, for local government reform in England, Scotland and Wales, associated with a general

devolution of power from the central Government. At a later stage plans will be laid before you for giving the Scottish people a greater say in their own affairs.

Proposals will be put forward for permitting commercial local radio stations under the general supervision of an independent broadcasting authority.

A Bill will be brought before you to abolish the Land Commission.

My Ministers will intensify the drive to remedy past damage to the environment and will seek to safeguard the beauty of the British countryside and seashore for the future.

Bills will be laid before you to improve the arrangements for the administration of justice in England and Wales in accordance with the recommendations of the Royal Commission on Assizes and Quarter Sessions and to improve the organisation of the Sheriff Courts in Scotland.

My Government will make it their special duty to protect the freedom of the individual under the law and will examine ways in which this may be more effectively safeguarded.

Other measures will be laid before you.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

British Foreign Policy

STATEMENTS BY MINISTERS DURING COMMONS DEBATE

During the House of Commons debate on the Queen's Speech (see pp. 645-7) on 2nd and 6th July, Ministers in the new Government made a number of statements bearing on the Government's approach to various issues of foreign policy.

Speaking on 2nd July (*Hansard*, cols 76-83) Mr Edward Heath, the Prime Minister, said that 'the main aim of our foreign policy must be to make a modern and broadly based assessment of where British interests lie Then our task is to sustain those interests with all the energy and determination which we can command . . . There is nothing crude or selfish about our foreign policy in trying to achieve these objectives, because our interests as a nation coincide closely not only with those of our friends and allies but with those of the international community as a whole. We share with the rest of the world the desire to promote peace and to further development, and as a trading nation we probably have greater interests at stake than any other country in this respect.'

The Prime Minister went on to develop this theme of the coincidence of Britain's interests with those of other countries, as it applied to the main areas in which British foreign policy operates, including that towards Europe, NATO and East-West relations, South-East Asia, the Gulf States and Africa Opposition spokesmen—Mr Michael Stewart (*Hansard*, 6th July, cols. 351-63) and Mr. Denis Healey (*Hansard*, 6th July, cols 442-52) strongly criticised some aspects of the Government's approach and questioned particularly the practicability of a continued military presence in the Far East and the Gulf area, and the desirability of the sale of arms to South Africa.

Extracts are given below from the sections of the Prime Minister's speech on foreign policy, together with the complementary points made by the Foreign and Commonwealth Secretary, Sir Alec Douglas-Home, when he spoke on 6th July (*Hansard*, cols. 340-51)—broadly on the theme of international reconciliation, pointing out that 'the basic facts on which British policy rests do not vary with changes of Government'- and from the speech on 6th July (*Hansard* cols. 452-62) by Mr Joseph Godber, Minister of State at the Foreign and Commonwealth Office.

Britain and Europe

Mr. Heath said that, in Europe, it was 'a British interest that we should come together increasingly with our friends It is a British interest to work out a way of establishing a common European voice on world affairs. But it is also a general European interest to do both these things. That is why the negotiations[1] which have just been opened by . . . the Chancellor of the Duchy of Lancaster

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[1] The negotiations on Britain's application to join the European Communities, which opened in Luxembourg on 30th June.

[Mr. Anthony Barber] must find a settlement fair to all if they are to succeed and give us and our friends a European voice. This goes even further. From a European base, we can work much more effectively for better East-West relations. We can make a fuller European contribution to the solution of the problems of the third world. It is, therefore, in both British interests and wider interests that we should bring this about.'

NATO and East-West Relations

Mr. Heath continued: 'Similarly, we share with our friends a critical interest in the maintenance of a strong North Atlantic Alliance. But at the same time as this is the bulwark for the West it is also a means for developing policies with the countries of Western Europe and North America to relax tensions between East and West, and this will be of benefit not only to Europe and Britain but to the rest of the world.'

The Foreign and Commonwealth Secretary dealt with this topic in more detail. He described NATO as fulfilling for Britain a constant theme of Britain's foreign policy—'to prevent the domination of the centre of Europe by one single Power. . . . If one adds to that, in the context of modern war, that the range of modern weapons and the nuclear strength of our American ally carry conviction to any aggressor that one who starts a nuclear war cannot win, then the reasons are very clear why NATO must have priority in the foreign policy of this country. Our policy towards NATO should not exclude us from taking a role beyond the horizons of Europe, but priority must be given to the NATO alliance, which is the security of our island base.'

In this area there were two questions on which a British response was required. Referring to the Soviet *bloc*'s proposals on European security and on suitable machinery to discuss the problems related to European security, Sir Alec Douglas-Home considered that '. . . to these approaches and ideas there will need to be a European reaction, part of which must be made by this country'. The second point, in relation to NATO, was that, 'while the United States will always recognise the paramount importance of a free Europe and therefore can be relied upon, as the massive message of the President to Congress[1] has lately emphasised, to keep an American presence on the ground in Europe and underwrite Europe's security with her nuclear deterrent, in due course . . . the United States will ask Europe to assume a greater share of her own defence. There will have to be a European response to that request, and Britain will have to make a response as part of the European reaction.'

South-East Asia

With regard to South-East Asia, Mr. Heath considered that it was a British interest 'that we should work out with our Commonwealth allies in Malaysia and Singapore, in Australia and New Zealand, a way in which we can join effectively with them in helping to maintain stability in that area'. This was also in the interests of these and neighbouring countries. The Government would work with them to create 'a new and up-to-date system of co-operation based on the realities of the situation. This will take account of the concern, which they share with us, to see peace and stability maintained.'

On this point Sir Alec Douglas-Home added, on 6th July: 'There is no doubt that a modest military presence with forces contributed by Britain, Australia, New Zealand, Singapore and Malaysia could create a confidence in those countries which nothing else could do'. The Secretary of State for Defence would soon be hearing the views of these countries and the Government would

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[1] *United States Foreign Policy for the 1970s. A New Strategy for Peace*, February 1970.

later indicate 'the shape of the forces which we think will do the job in those countries'.

On the wider question of the existing conflict in Indo-China, Sir Alec considered that it was urgent 'to reconvene the conciliation processes which are ready at hand waiting to deal with the peaceful settlement of this area. If the Soviet Foreign Minister . . . would join with the British Foreign and Commonwealth Secretary in co-chairing another peace conference in this area, that would certainly have the full support of this Government.'

The Middle East

Mr. Heath also emphasised the need for stability in the Middle East. 'There is the same British interest in the Middle East, particularly because of our long connections with the Arab world, and our desire to see Israel living safely within secure frontiers, and we shall do our best to this end through the four-Power talks and any way which is available.'

Speaking of the Arab-Israel dispute Sir Alec Douglas-Home considered that: 'The right answer . . . is clearly direct negotiations between Israel and the Arab countries concerned; but that, for one reason or another, has been refused. The most profitable procedure for the moment is that Dr. Jarring should proceed to the various countries concerned in this trouble, armed – as far as he can be – with new instructions from the four Powers, and, travelling between the countries, he might find a basis for a meeting. [In] this search for peace in the Middle East, which is easily the most urgent matter before any Government today, Britain will play her full diplomatic part in finding a basis for agreement.'

The Gulf

Mr. Heath indicated that British policy in the Gulf would, as in the Far East, be directed to seeing how Britain could best contribute to peace and stability there. Enlarging on this point on 6th July, the Foreign and Commonwealth Secretary described the urgent tasks in the Gulf as 'first to create a climate favourable to the settlement of the local disputes, some of them far-reaching and important. The second is to consult the leaders of the Gulf as to how Britain can best contribute to the pattern of stability in that area. We shall go into such consultations with a completely open mind. But these questions are crucial to so many, because that area has been a comparatively stable one in an otherwise very turbulent part of the world. Therefore, I am setting in motion the diplomatic machinery necessary to try to help in the settlement of disputes and find out from the rulers and leaders in that area how they think that Britain can best help them create the stability which all of them want and need.'

Rhodesia

'We shall', Mr. Heath said, 'also honour our undertaking to make a further effort to see whether a settlement of the Rhodesian problem on the basis of the five principles is possible. We do not propose to take hasty steps. We shall move only with proper preparation and in full recognition of the strong feelings which . . . exist. But we believe that it is our duty to determine for ourselves the prospects of finding an acceptable settlement, and we are sure that a further attempt must be made.'

Africa

Mr. Heath stressed that Britain had important interests in Africa, both north and south of the Zambezi. 'But there must also be a recognition', he

added, 'that we have vital defence interests in South Africa which we cannot ignore and of which account must be taken. This in no way means that we condone racialist practices. We condemn them wherever they occur. But it is not our intention to be pushed into pursuing courses which could do great damage to this country while having no practical effect in bringing about the results which their advocates wish to see. We entered into the Simonstown Agreement [see 3.3.67 p 247] and the Government intend to give effect to its purposes.' The matter would be given careful consideration which would be followed by an announcement. In this context the Foreign and Commonwealth Secretary spoke of the need to protect vital sea routes and of the Government's awareness in considering defensive arrangements suitable for their protection, of the sensitivity of other Commonwealth countries on racial matters.

Overseas Aid

Later in the debate on 6th July, Mr Godber made further statements on other areas of British foreign policy Taking up the discussion of the problem of overseas aid, Mr. Godber reaffirmed the Government's firm commitment to the task of assisting in the development process, and our belief that this is an essential part of the role which Britain must play in the world. . . . [The British Government] consider it an essential British interest to work closely with the developing world, building up trade and other contacts' It was the Government's firm intention to 'pursue an expanding aid programme'

Gibraltar

Mr Godber also took the opportunity to reaffirm the undertaking of the preamble to the Gibraltar Constitution Order in Council of May 1969 [see 20.6.69 pp 536-8], namely that the British Government 'will never enter into arrangements under which the people of Gibraltar will pass under the sovereignty of another State against their freely and democratically expressed wishes'. Mr Godber added 'The Government will continue to stand by the people of Gibraltar and to support them in the difficult circumstances brought about by the restrictions imposed on Gibraltar by Spain Clearly no serious progress towards settlement will be possible so long as these restrictions remain in force, and we shall work for their removal

Economic Strength

Sir Alec Douglas-Home said at the end of his speech. 'But for all the purposes of British foreign policy, we need economic strength at home. This will be given priority by the Government It is this economic strength that enables Britain to be a reliable ally, and it is this economic strength also which places the authority of Britain behind reconciliation Therefore, it is from strength towards reconciliation that the Government, in their foreign policy, will direct all their efforts.'

Conclusion

The Prime Minister concluded his remarks with the following words: 'No one should read into our determination to pursue policies which take proper account of the real needs of this country a reluctance or a refusal to respond to the challenges which face all the developed countries in the world today, and we will do our best to deal with them . . . the challenge of world order, the dangers of racial conflict and the challenge of world poverty'.

BRITAIN AND THE UNITED NATIONS

At a dinner at the Guildhall in London on 29th June, held under the auspices of the United Nations Association to mark the twenty-fifth anniversary of the signing of the United Nations Charter, the Foreign and Commonwealth Secretary, Sir Alec Douglas-Home, spoke of the part the United Nations could play in fulfilling what he considered the two basic needs 'of simple people everywhere'—the need for food and for safety.

Sir Alec said that praise for the work of the Food and Agriculture Organisation, UNESCO, and other UN bodies in helping to fulfil the human need of food and education 'cannot be too high'. He spoke of the proposals of the Pearson Commission [see 7.11.69 pp. 1004-7] for increasing future aid and investment in the developing countries and emphasised that investors and aid-sources must be able to feel confidence in the future of their investments or projects. *The British Government, he said,* 'accepts the aims of the Pearson Commission . . . In doing so, we shall look for that consideration which will allow confidence to grow.'

Of the fulfilment of the second great need, for safety, the Foreign and Commonwealth Secretary spoke of what he felt might be achieved if the great Powers were prepared to 'mobilise their power behind a common will for peace' and of the Government's readiness to exploit any opportunity to further 'constructive co-existence'. Sir Alec felt, however, that whatever their feelings about the internal policies or practices of other countries, all states must uphold the principle of non-intervention. 'Once the nations of the world give way to intervention in each other's internal affairs the United Nations would find itself broken by an intolerable strain, and the United Nations therefore, in order to succeed, must keep its eye on the main issue laid down by the authors of the Charter, that the great Powers should concentrate on preventing war between nations.' Reiterating a point made by Mr. Lester Pearson at a commemorative ceremony at Westminster Hall on 26th June, Sir Alec said 'The time has come when the nations in the United Nations must be prepared to work the Charter or to lose the authority that this great organisation ought to have'.

Far East Defence

FIVE-POWER EXERCISE IN MALAYSIA

Five Commonwealth countries have recently completed a combined exercise in Malaysia. Code-named *Bersatu Padu*, a Malay phrase meaning 'Complete Unity', the operation took place between April and June. It was designed to train and exercise combined forces of Australia, Malaysia, New Zealand, Singapore and Britain, under the conditions that would prevail in the area after the withdrawal of British forces that had been intended by the previous Government for the end of 1971 and to practice setting up the organisation which would be necessary to introduce, support and train forces from outside the area. Statements of policy on the question of a British military presence in the area. In testing the machinery for five-Power co-operation, the exercise also provided a convincing demonstration of Britain's continuing capability to provide significant forces for action in the Far East. Statements of policy on the question of a British military presence in the area by Ministers of the new Government are given on pp. 649-50.

The decision to hold the exercise was one of the main results of the five-Power ministerial conference held at Kuala Lumpur in June 1968 [see 21.6.68

pp. 584-8]. During the three months, a total of 25,000 Commonwealth servicemen —14,000 of them British—200 aircraft and 50 warships, including Britain's Far East Fleet of 20 ships, were involved. British forces included those at present stationed in the Far East [see 27.3.70 p. 298].

Setting

The exercise was in four phases—deployment, training, major tactical exercise, and recovery—and its setting envisaged overt military action against Malaysia by a fictitious country, 'Ganasia', assumed to lie between Malaysia and Thailand, with a time-scale set in 1975, some three to four years after the projected British withdrawal. The scenario assumed that Ganasia had been infiltrating forces into Malaysia and had assembled units to carry out a large-scale operation. The Commonwealth allies had decided to send two brigades to re-establish control of the area where the Ganasian forces were operating and to re-open the port of Dungun on the east coast of Malaysia. For the purposes of the exercise it was assumed that Commonwealth forces controlled air space over Malaysia, enabling troops to be flown in; and that a period of tension had preceded the outbreak of active operations, giving time for acclimatisation and jungle training of troops.

Forces

The land forces taking part comprised two brigades—a Malaysian-Australian-New Zealand brigade and a British-Singapore brigade. The British army contribution consisted of 19 Infantry Brigade, which includes two infantry battalions with appropriate artillery, engineer and logistic support. The naval forces taking part included the Australian aircraft carrier *Melbourne*, and Australian, New Zealand and Malaysian frigates, mine countermeasures ships and fast patrol boats. The British Far East Fleet represented the type of naval forces that could be deployed from Britain. It consisted of 20 ships, including the commando-carrier HMS *Bulwark*, with a full complement of helicopters and a Royal Marine Commando Group embarked to provide an amphibious assault capability, the command-helicopter cruiser HMS *Blake*, the guided missile destroyer HMS *Fife*, six frigates, two submarines and nine other ships. Of the 200 aircraft involved, Royal Air Force Support Command deployed *Phantom* fighter ground attack reconnaissance aircraft, *Wessex* helicopters, *Hercules* and *Andover* tactical transport aircraft, and control and communications elements. RAF Strike Command deployed *Vulcan* medium bombers, *Canberra* reconnaissance and *Victor* tanker aircraft, making a total contribution deploying from Britain of 40 aircraft and about 2,120 men; added to this were a squadron of *Lightning* intercepters and two *Shackleton* maritime reconnaissance aircraft normally based in the Far East. British forces in the Far East also provided part of the enemy, umpire and control, and logistic support needed for an exercise of such magnitude.

Deployment

From 10th to 21st April, RAF Air Support Command carried out a massive 8,000-mile airlift—the biggest peacetime exercise undertaken by the Command—to transport the British land forces and their equipment to the exercise theatre. In this period the Command, using 35 *VC 10*, *Britannia*, *Hercules* and *Belfast* aircraft, transported to Singapore an infantry brigade totalling 2,200 men, 20 helicopters, 12 105 mm. howitzers, 370 fully-laden vehicles and trailers, and over 90,000 lb. of other cargo. The entire operation was achieved with only minimal interruption to the RAF's normal services and without involving anything approaching the full resources of the Command; it has been calculated

that with a 'total effort' the Command could airflight 10,000 men and 500 vehicles from Britain to Singapore in 14 days. Returning aircraft were used to move extensive quantities of material and equipment back to Britain.

During May the Command deployed its *Phantom* and tactical aircraft to Malaysia. The *Phantom* aircraft made the journey in just over 14 hours flying time, being refuelled in flight by *Victor* tanker aircraft. The Command also completed, by 3rd June, a second airlift, to move 1,300 RAF personnel and 250,000 lb of cargo to Singapore.

Phasing

The deployment of the Commonwealth forces was followed by a period of national and multi-national joint training in preparation for the main phase of *Bersatu Padu*—the major combined exercise - which took place during the last two weeks in June.

The preliminary period for the land forces was mainly taken up by jungle training in various areas, the British forces at Kota Tinggi, while the naval forces conducted a training exercise from 25th May to 5th June in the South China Sea. This exercise, code-named 'Crack Shot' included all types of weapon training by the ships as well as anti-submarine activities and flying exercises from the Australian carrier, and was designed to prepare the naval forces for the main maritime phase of *Bersatu Padu*. Land-based aircraft from the RAF, the Royal Australian Air Force and the Royal New Zealand Air Force also participated in this exercise.

In the main phase of *Bersatu Padu*, beginning on 13th June, the Commonwealth land, naval and air forces conducted combined operations to reassert control of the contested area in the state of Tregganu, West Malaysia the enemy for this phase being provided by British commandos, Gurkhas, and naval and air forces. The operations began with an airborne assault by Royal Marine Commandos from HMS *Bulwark*, supported by *Skyhawk* aircraft from the Australian carrier *Melbourne* and Australian *Mirage* aircraft from Butterworth airfield, to recapture the airstrip at Penarek, troops were then flown in to this bridgehead to search and clear the area of enemy forces The land operations were supported by the naval forces, which also conducted anti-submarine anti-infiltration, mine clearing around the recaptured port of Dungun, and air defence exercises: the air forces operated in support of the naval and ground forces, as well as carrying out a number of air defence exercises, in which RAF *Lightnings* and Royal Australian Air Force *Mirages* successfully defended Singapore and Butterworth airfield against attacks by 'Ganasian' *Vulcans* and *Phantoms*.

ECONOMIC AND SCIENTIFIC AFFAIRS

Economic Prospects and Policy

SPEECH BY CHANCELLOR OF THE EXCHEQUER

On 27th July the debate in the House of Commons on the Queen's Speech was devoted to economic affairs. Opening this section of the debate the Chancellor of the Exchequer, Mr Iain Macleod, gave an outline of his view of the state of the economy and set out very briefly the underlying principles of his economic policy.

Britain, Mr Macleod said, had had very good results in the balance of payments in the last year and had reduced official short-term and medium-term indebtedness from the very high figure of £3,363 million at the end of 1968 to £1,451 million, including £992 million to the International Monetary Fund, at the end of June 1970. But the Government's outstanding external debt (£1,910 million long-term and £1,461 million short-term and medium-term) remained formidable. Internally the economy showed two outstanding features. On the one hand demand and activity were rather sluggish and unemployment was high compared with the post-war average. On the other hand there was a strongly rising trend in wages and prices. This was a combination of stagnant production and cost inflation. There were however some recent signs of an increase in production and orders and for this reason he thought that it would be premature to take action to stimulate demand. Nor did he intend to introduce an autumn budget, but he must be free, like any other Chancellor, to take such action as might seem necessary at the appropriate time, and clearly it was more likely, unless the indicators changed, that he would wish to stimulate demand rather than restrain it. In the meantime a tight monetary policy was still required and in particular he must ask the banks and finance houses to carry on observing the guidance given to them by the Governor of the Bank of England both as to the level and the priorities of their lending.

Public Expenditure

The latest estimates showed public expenditure running rather below the levels planned by the previous administration, so that the balance of expenditure and taxation together did not at present exert a net expansionary influence on the economy. This balance, however, was struck at a point where the absolute levels both of expenditure and of taxation were in the judgement of the Chancellor much too high. For the period further ahead, running up to 1975, the estimate showed public expenditure accelerating to regain the levels previously planned by the Opposition when they were the Government. If he were to permit this, it would mean an annual rate of increase in public expenditure, and in particular in the public sector's direct demands on resources, well above any rate of increase which had been seen in the national output as a whole for many years past. The new Government could and would improve on the economic performance of the past six years, but must not at this stage pre-empt too large a proportion of the increase for the public sector. It would be impossible to sustain an increase at the rate suggested by the latest estimates without further taxation

and he had no intention whatever of accepting such an outcome. For this reason he had instituted a radical and far-reaching review of public expenditure. The Government also intended to scrutinise very closely all price increases in the public sector.

The Bank of England

SELECT COMMITTEE REPORT

The report by the Select Committee on Nationalised Industries (House of Commons Paper 258) on the Bank of England published on the 5th May reached the following general conclusions: the Bank should publish accounts; its capital expenditure should be submitted to annual review; it should make charges designed to recover costs for services, including those performed for Government; its profits, after appropriate provision for working capital and reserves should be passed to the Government; and its own affairs should be examined from time to time by future Nationalised Industries Committees. It was put forward as a matter for consideration whether in those areas where the Bank operates as an arm of Government its activities, together with those of the Treasury, should be subject to examination by a Select Committee on Economic Affairs.

It was not the purpose of the inquiry to update the Radcliffe Report (Cmnd. 827) on the mechanisms of the monetary system and the Select Committee's terms of reference specifically excluded the functions of the Bank in 'the formulation and execution of monetary and financial policy including its responsibilities for the management of the gilt-edged money and foreign exchange markets' and 'its activities, as agent of the Treasury, in managing the Exchange Equalisation Account and in administering exchange controls'. Instead the Select Committee was principally concerned during the 15 months which it spent collecting and considering evidence with the relationship between the Bank and Government and the question of the accountability of the Bank and with the internal efficiency of Bank organisation.

The conclusions of the report are supported and supplemented by detailed material contained in the verbatim evidence. In commenting on a Bank Memorandum reproduced in Appendix 8 of the report (Costs and Methods of Financing of the Bank's Activities) the Governor of the Bank, Sir Leslie O'Brien, affirmed that the Bank's efficiency cannot be judged from the size of its profits. The first main paragraph of the memorandum stated that 'the size of its profits is not an apt test of a central bank's performance, and to maximise them should not be among its main aims'. In response to the question as to what is an apt test Sir Leslie said that 'it is that we should do our job with the maximum of efficiency, that we should give the best possible advice in quarters where we are asked for advice, that our financial operation should be seen to be highly efficient . . . I think that in the City of London we are generally regarded as setting a standard of efficiency for the rest of the City which we certainly ought to do if we wish to retain the City's respect and, indeed, the respect of our overseas colleagues, the central bankers of the world, to whom I think also we tend to set a standard of efficiency'.

The independence of the Bank of England is guaranteed by the 1946 Act by which it was nationalised, which states that the Court of the Bank shall be responsible for 'the affairs of the Bank'. In important respects, however, the Bank is less independent than other nationalised undertakings. Thus, in its

operations in carrying out Government policy, the Bank is in very close contact with Treasury and the report raised the question as to whether the latter could carry out the 'sort of watching brief that other sponsoring departments carry out in relation to the nationalised industries responsible to them'. The committee did not recommend that there should be a Treasury representative on the Court of the Bank of England, as had been suggested by Lord Balogh, and noted that it was not the practice in Britain for representatives of government departments to sit on the boards of public bodies. Although the committee was not in a position to make any positive recommendation, it inclined to the view that position to make any positive recommendation they inclined to the view that part-time members should form a smaller proportion of the total membership of the Court of Directors of the Bank than they do at present.

The committee noted that the Nationalised Industries Committee will in future be able to examine the Bank of England from time to time and that this power together with the publication of full accounts would form a basis for informed public and parliamentary discussion of their problems. The committee did not believe that this present inquiry had endangered or that future inquiries would in any way endanger the Bank's independence or its relationships with the City.

Although the amount of information which can be made generally available in Britain concerning the way in which the Bank manages its operations in the foreign exchange market and the gilt-edged market is inevitably limited by considerations both of public and commercial interest, the *Bank of England Quarterly Bulletin* plays an important part in informing the public about economic and monetary developments by means of well-informed comment and carefully produced statistics. The question of greater access to the Bank's information cannot be considered in isolation from the wider issue of Treasury policy on the extent of disclosure since the Bank is unable to be franker than the Treasury itself where matters of common interest are involved.

Regional Development

NORTH-EAST DEVELOPMENT COUNCIL ANNUAL REPORT

The ninth annual report of the North-East Development Council was published[1] on 9th June. The council, which was formed in 1961, is composed of 326 industrial members and 30 trade unions and is financed by local planning authorities, members' subscriptions and a central government grant of up to £10,000 to match the amount subscribed.

Background

The council's main aim is the encouragement of activity likely to lead to the creation of new jobs in the North-East of England, a need created by the running-down and rationalisation of the region's basic industries, notably coal mining, shipbuilding and heavy engineering. Although these basic industries are still very large employers, the region has lost over 100,000 jobs in coal mining alone over the past ten years, as a result the North-East has attempted a rapid diversification of its economy in an attempt to avoid a recurrence of the problems arising from over-dependence on only a few large

[1] *Ninth Annual Report 1969-70*, North-East Development Council, 20 Collingwood Street, Newcastle upon Tyne.

industries. Progress to date has included a large road-building programme, the development of five new towns and two airports, the redevelopment of old city centres, and a steady rise in house building. In addition there are five Government Training Centres, and over 250 new manufacturing firms were attracted to the region between 1960 and 1969. Despite this progress, however, unemployment in the region has consistently been twice the national average, so that although the North-East contains only 5 per cent of the working population of Britain it has 10 per cent of the unemployed.

Progress during 1969

The director's report states that the region 'has continued its slow climb towards the point where its employment losses will be balanced by the creation of new jobs, but this "plateau" has still not been achieved'. Current predictions indicate that the region should attain a level of economic self-sufficiency by the end of the present decade. The report continues: 'This year a number of important steps have been taken but unfortunately there has been no marked upward acceleration.' The director attributes this relative stagnation to the situation in the national economy, whereby a substantial balance of payments surplus was produced partly through strict control of the home market and domestic consumption. His report states that 'the necessity for restraint has meant some loss of buoyancy in the regions like the North-East which are currently restructuring their industrial economy. . . . While the run-down in basic industries has proceeded at a pre-determined rate, new industrial development has not gone ahead as quickly as it would have done in a more expansionary climate. Controls on monetary credit have dampened down investment as a whole and so reduced the amount of new and expanding industry in the country.' The report continues: 'The continuing drive for greater industrial efficiency and increased production has helped the region sharpen its competitive edge in industries like chemicals and engineering. While this may be expected to have beneficial long-term effects it has increased unemployment in the short term.'

Employment

Until 1972-73 the region will lose about 17,000 male jobs annually and while the run-down in mining should be greatly reduced after this date, some loss of jobs will continue as further rationalisation takes place in public utilities services and other groups. In 1969-70, the report states, an estimated 13,700 new jobs were created, including 9,180 for males, this left the region with a net loss of some 8,000 employment opportunities for men. As a result the total of unemployed people remained at over 50,000 during the year. Persistent high unemployment during the decade has been accompanied by a correspondingly high rate of migration from the region and a comparatively low level of activity within it.

Industrial Building

During the year 253 Industrial Development Certificates were issued for the region covering projects involving 8·1 million square feet of industrial space, a fall of 26 per cent from the exceptionally high level in 1968-69. The 1969-70 figure was significantly above the average for the 1960s as a whole but the share of the North-East in the total of industrial building in Britain fell from 9·2 per cent in 1968-69 to 7·5 per cent in 1969-70. The report states that the fact that during the decade the amount of industrial floor space per job has risen steadily underlines the urgency of increasing the rate of industrial development in order to provide the necessary number of jobs.

INDUSTRIAL BUILDING IN THE NORTH-EAST

	Industrial Development Certificates issued	Estimated additional employment
1961-62	135	12,294
1962-63	86	6,322
1963-64	149	15,436
1964-65	195	25,006
1965-66	200	17,840
1966-67	210	19,080
1967-68	218	17,786
1968-69	232	18,930
1969-70	253*	13,700†

* Providing 8,121 000 square feet of industrial space
† Comprising jobs for 9,180 men and 4,520 women

Government Financial Assistance to Industry

During the year nearly £28 million in financial assistance was offered to firms in the North-East, including £7 million in operational grants which are available only in Special Development Areas and which were first paid in substantial amounts in the year under review. In addition, 42 new government factory buildings costing over £4 million and covering an area of 947,000 square feet were approved.

Government Sponsored Industrial Estates

The estates and sites administered in the region by the English Industrial Estates Corporation have continued to expand, and the arrival of new industries together with the growth of those already established has resulted in a rise of 4,000 in the numbers employed, making the present total over 94,000. Nearly one million square feet of factory building was completed during 1969 and there is a further 750,000 square feet currently under construction with well over a million square feet being planned. The total of these new factories and extensions will provide an estimated number of 11 000 additional jobs in the region. New sites are being prepared by the Industrial Estates Corporation at Team Valley and Sunderland and particular attention has been given to the Special Development Area in which colliery closures have created very high unemployment: two major new estates are being developed in this area at Cramlington and Brandon.

The Work of the Development Council

The council's main concern is to publicise the North-East as an attractive centre for industrial investment and to make representations on its behalf. Since its inception in 1961 it has been active in persuading industrialists within Britain to consider the region as a location for new industry. During 1969 it made its first planned attempts 'to internationalise the public relations programme with the objective of making North-East England's investment advantages better known to the prosperous business communities of Western Europe and the USA'. This aspect of the council's work is carried out by

advertising, direct mail, films, publications, and exhibitions. In addition, the council carries out research into the region's problems, the major document resulting from this during 1969 being a report on the region's industrial training needs published by the council's trade union advisory panel.

Port Development

ANNUAL REPORT OF THE NATIONAL PORTS COUNCIL

The annual report and accounts for 1969 of the National Ports Council (NPC) were published on 7th July (HMSO, 7s 6d). The report states that 93 port development schemes worth some £280 million have been submitted for the council's approval since 1964. Over the same period the council has promoted or encouraged the reorganisation of port facilities into larger units based on the estuaries of the Clyde, Tees, Forth, Humber, Tyne, Medway, and at Southampton. Harbour boards have been reconstituted at London and Liverpool.

The council now considers that, while in 1964 British ports were insufficiently equipped to meet competition from many ports on the continent of Europe, the facilities now built or shortly to be built are satisfactory.

Background

The NPC is a statutory body set up under the Harbours Act 1964 to advise the Minister of Transport on port affairs The Act for the first time gave the Government powers of central control over major investment in the ports, all projects costing over £500,000 must be referred to the Minister of Transport, who must consult the NPC about them. In addition the Act enables the Minister to make loans to harbour authorities for the purposes of port development, and a system of port modernisation grants of 20 per cent of approved expenditure was introduced in 1966.

Under a Ports Bill, which was introduced by the Labour Government but failed to complete its parliamentary stages before the dissolution of Parliament prior to the general election, the NPC would have been abolished and its functions assumed by the projected National Ports Authority, which was to take over the major ports. The Conservative Party has declared its opposition to nationalisation of the ports.

Development

Capital expenditure by port authorities fell from £49 7 million in 1967 to £44 million in 1968. However, with several large schemes still in progress, investment is likely to remain at a high level over at least the next few years.

The report points out that between 1964 and the end of 1969 extremely rapid development has taken place in containerisation and other forms of unit transport. Seven deepsea container berths equipped with transporter cranes have been completed, and a further 12 were under construction or at an advanced stage of planning. In addition there were nine high-capacity, transporter-equipped shortsea berths and 80 roll-on/roll-off berths or simple container berths for handling unit loads. Altogether 9 million tons of unit traffic passed through British ports in 1968, some 50 per cent more than in the previous year. Within the total, container traffic rose 59 per cent to 6 million tons.

British ports were now equipped to deal with container ships of any foreseeable size, while the largest tankers in existence could also be handled. If it

became necessary facilities could be provided at reasonable cost for tankers of as much as 1 million tons deadweight. Already tankers of 250,000 tons could be handled fully laden at Milford Haven and in the Clyde. In cases where it would be uneconomic to dredge for fully laden tankers to berth inshore, long crude-oil pipelines could be used in conjunction with off-shore buoyed mooring; schemes of this type had been suggested to serve the Shell refinery at Stanlow on the Manchester Ship Canal.

The first barge carrier to visit Britain reached the Medway late in 1969. If necessary barge carriers, or 'mother-ships', could be moored at buoys and their barges discharged at points where they could make use of shallow berths inshore.

Maritime Industrial Development Areas

Investigation has continued into the NPC's suggestion that special Maritime Industrial Development Areas should be set up in parts of Britain where deep water was found in conjunction with land suitable for industrial use. Following a report on feasibility studies begun in 1967 the Government stated in July 1969 that it had initiated a series of further studies on this question, and an inter-departmental working group was set up, on which the NPC was represented. A report by Professor Peston, of Queen Mary College, London University, received by the NPC in November 1969, recommended cost benefit analysis in depth of the expected economic benefits.

Research and Training

The council has certain responsibilities for promoting research and training. The report records that projects promoted by the council include transhipment studies, technological forecasting, and studies of the movement of heavy indivisible loads, dredging technology, harbour structures, port management information and control, radio communications, and many other subjects.

In 1966 the NPC carried out the first manpower census of the ports industry. It sponsored and organised courses on management, port operations and many other aspects of the industry. A Training Research Unit was set up.

Commonwealth Development Corporation

ANNUAL REPORT FOR 1969

The report and accounts of the Commonwealth Development Corporation (CDC) for 1969 (HMSO, 10s 6d) provide evidence of the growing contribution the corporation is making to the promotion of productive enterprises in the developing countries of the Commonwealth. The area of its operations has recently been extended to include countries outside the Commonwealth and its borrowing powers have been increased. Its operations have expanded and good results have been obtained from many of the projects it has undertaken, either directly or in partnership with governments or private enterprise, particularly in the fields of agriculture and housing.

Functions and Powers

The CDC was established by Act of Parliament in 1948, as the Colonial Development Corporation, to assist the economic development of the dependent territories. The change of name to Commonwealth Development Corporation was effected by the Commonwealth Development Act 1963, which also restored

the corporation's full powers of operation in all those countries which had achieved independence within the Commonwealth since 1948.

With the agreement of the government concerned, the corporation can also act as managing agent and render advisory services in any independent Commonwealth country.

The Overseas Resources Development Act 1969 empowers the CDC, with the approval of the Minister of Overseas Development, to engage in operations outside the Commonwealth. The Minister's approval must be given individually for each country to be added to the corporation's area of operations. The Minister's power in this respect is being used sparingly, expansion being effected by a natural extension of the CDC's existing organisation through its regional offices and to countries where conditions are broadly similar to those of the countries in which it already operates. Early in 1970 the Minister gave the corporation authority to operate in Cameroon, Ethiopia and Indonesia.

The CDC's regions, each of which has a resident Regional Controller, are: Caribbean (regional office in Kingston, Jamaica, and a representative for the Eastern Caribbean in Bridgetown, Barbados); East Asia and Pacific Islands (offices in Singapore and in Kuala Lumpur, Malaysia), East Africa and Central Africa (regional office in Nairobi, Kenya, and a representative in Lusaka Zambia); Southern Africa (for Botswana, Lesotho and Swaziland, regional office in Johannesburg, South Africa), West Africa (regional office in Lagos, Nigeria).

The CDC operates on commercial lines and has a statutory obligation to pay its way, taking one year with another. Close relations with the governments of the countries in which it operates are maintained through the CDC's regional offices in order to ensure that the corporation's activities are directed in such a way as best to promote the economic development of those countries. The CDC is empowered to undertake, either alone or in association with others, projects for the promotion or expansion of a wide range of economic enterprises including agriculture, forestry, fisheries, mining, factories, electricity and water undertakings, transport, housing, hotels, building and engineering.

The corporation's long-term and medium-term borrowing powers were increased by the 1969 Act up to a limit of £225 million (the limit was formerly £150 million); in addition it has short-term borrowing powers up to £10 million. Of the £225 million, up to £205 million (formerly £130 million) may be borrowed from United Kingdom Exchequer funds. The Minister may, by Order made with the consent of the Treasury, increase the limit of long-term and medium-term borrowing powers to £260 million, of which not more than £240 million may be borrowed from the Exchequer.

New Commitments and Investments

Overseas operations again expanded in 1969 [for the 1968 report see 6.6.69 p. 505] and record figures were reached in a number of directions. Gross new investment commitments reached £13,232,915, of which supplementary investment in existing projects totalled £6,714,195.

The new commitments in the Caribbean were largely in support of existing projects, either as supplementary finance for expansion or for separate projects associated with earlier CDC projects. For example, in Jamaica a total of £4 million was approved for the new town and a hotel to be built on the Portmore land reclamation development west of Kingston; a causeway and bridge connecting the reclaimed area with Kingston town were completed by the end of the year. A further £1 million was approved for flats to be built in the Urban Development Corporation's redevelopment scheme at Ocho Rios on the north coast. Additional finance totalling some £800,000 was approved and disbursed for acquisition and expansion of manufacturing businesses by Industrial Commercial Developments Ltd. in Jamaica and Trinidad.

NEW PROJECTS IN 1969

£ sterling

Region	Project	Approved CDC investment
Caribbean	Caribbean Utilities Ltd	2,083
	Kingston Beach Hotel Ltd (Jamaica)	1,000,000
	Turtle Beach Developments Ltd (Jamaica)	1,025,000
	Industrial Commercial Developments (Trinidad) Ltd	[illegible]96,000
	Montrose Neighbourhood Development (Trinidad)	250,000
East Asia and Pacific Islands	Jurong Town Corporation (Singapore)	1,000,000
	Singapura Building Society Ltd	702,538
Central Africa	Freight Holdings Ltd (Zambia)	291,667
Southern Africa	Fibbs Swaziland (Pty) Ltd	218,167
	Neopac (Swaziland) Ltd	11,667
West Africa	Ghana Textile Manufacturing Co Ltd	704,931
	Afprint (Nigeria) Ltd	800,000
	Zamfara Textile Industries Ltd (Nigeria)	1[illegible],667
	Total	6,515,720

In the Eastern Caribbean, housing projects supported by mortgage finance, which had been planned jointly with the governments in previous years, got under way. In Trinidad more than £1 million was lent by the CDC through the mortgage company and a further £250,000 was approved. In Guyana advances to the Housing and Development Co Ltd for estate development and house construction and to the mortgage company for loans to purchasers of completed houses totalled over £900,000; additional finance was approved in January 1970 so that the programme to build another 600 houses in 1970 could proceed. In St Lucia the original amount approved for mortgage finance was used up during the year and a further £400,000 has been approved, together with £500,000 for expansion of the electricity supply services to meet rapidly rising demand.

In the East Asia and Pacific Islands region some £2 million was approved for infrastructure development in Jurong, Singapore, and for factory construction and housing finance, and £750,000 was approved for the Borneo Development Corporation Sdn Bhd.[1]

In West Africa three new commitments for textile factories (two in Nigeria and one in Ghana) totalling £1,622,000 marked a renewed commercial interest

[1] *Sendirian Berhad*, the words used for 'Limited' in the case of a private company, in accordance with the Companies Act 1965 of Malaysia; for a public company the word *Berhad* alone is used.

in industrial expansion in that region. The CDC sent a number of missions to Nigeria in 1968 to investigate the possibility of projects in the fields of agriculture, hotels and housing; these have led to several new projects and others are likely to be approved during 1970.

In Central Africa the CDC has been a pioneer in the growing of flue-cured tobacco by African farmers. This was started in a CDC project at Kasungu in central Malawi. There is now a government-owned scheme, managed by the CDC, with a central farm and small growers in surrounding areas Good yields and good prices have been obtained and the scheme is rapidly expanding A similar scheme, also managed by the CDC, has now been started at Mukonchi in Zambia.

At the end of 1969 the CDC had some 50 new projects under investigation, compared with 30 a year earlier. The report saw this increased activity as reflecting an improved climate for investment arising from increased social stability notably in the case of Nigeria—and also the fillip to overseas economies deriving from high commodity prices. An exception to the latter tendency was the downturn in the tourist trade in the Caribbean islands which could be attributed to the effects of the credit squeeze in the United States and to a less degree in Britain It was to be expected, however, the report stated, that the pause in the upward trend of this growth industry would be only temporary

Total Commitments and Investments

Total commitments and investments at the end of 1969, after correcting for loan repayments and realisations and downward adjustment of earlier commitments, were £157,075,000 Gross new commitments, including expansion of existing projects, reached £13,233,000 Gross new investment during the year was £13,021,000, so that cash investment was kept almost level with new commitments, ' the occupational hazard of development agencies in building up inflated paper commitments which do not get converted into effective development (in the words of the annual report) thus being avoided The total book value of projects and investments at the end of 1969 was £129,890,000

TOTAL COMMITMENT AND INVESTMENT BY REGION TO END 1969

£ thousand

Region	Committed	Invested
Caribbean	31,918	23,651
East Asia and Pacific Islands	23,275	21,910
East Africa	32,067	24,151
Central Africa ..	23,886	23,537
Southern Africa . . .	26,275	24,378
West Africa	13,977	11,721
Other areas	677	542
Total ..	157,075	129,890

Financial Results

The operating surplus of the CDC at the end of 1969, before interest and taxation, was £8 million, compared with £6·9 million for 1968. The surplus

credited to the reserve fund, after interest and taxation had been deducted, was nearly £54,500, compared with £27,300 in 1968.

Revenue increased in 1969. The net surplus of direct CDC projects more than doubled at £604,500, largely due to an exceptionally profitable citrus harvest for the Swaziland Irrigation Scheme. Interest and dividends from subsidiary companies increased by 36 per cent to £1 7 million, the main contributor to the increase being BAL Estates Sdn Bhd in Malaysia, which produces rubber, cocoa and palm oil; among other noteworthy contributors were Maramba Estate Ltd in Kenya, producing cocoa and kapok, Guyana Housing and Development Co. Ltd and Trinidad and Tobago Mortgage Finance Co. Ltd. Income from other investments increased by £548,185; this was partly due to the larger volume of investments, but significantly increased dividends were received from Northern Nigeria Investments Ltd , Malaya Borneo Building Society Ltd and East Africa Industries

Provision against Capital Losses

The provision against capital losses or depletion of capital was increased from £4 9 million to £6 million, which represents about 4 6 per cent of the book value of projects and investments The provisions marked against individual projects at the end of 1969 were approximately half against 'commercial' losses and half against 'political' losses Projects in the latter group include those affected by the illegal declaration of independence in Rhodesia and those the operations of which were suspended as a result of the civil war in Nigeria.

The report stated that shortage of foreign exchange to service overseas debts constituted a growing hazard for investors in developing countries However, CDC projects generated a considerable volume of exports from overseas countries and thus tended themselves to produce exchange resources to service the capital investment Because of this, and also because of the willingness of the CDC in normal circumstances to continue investment, there had so far been no excessive accumulation of blocked balances beyond what should be absorbed fairly quickly in new investments

Agriculture and Forestry

With certain exceptions, 1969 was a year of good prices for the products of tropical agriculture, and greatly improved results were obtained from the larger agricultural projects in which the CDC is involved. Besides the Swaziland Irrigation Scheme, BAL Estates Sdn Bhd and Maramba Estate Ltd (mentioned above), these include Molopo Ranch, which is the largest single ranch in Botswana and sells slaughter stock to the Botswana Meat Commission, Tanganyika Wattle Co. Ltd in Tanzania, producing high quality wattle tanning extract, entirely for export, and also doing pioneer work in the production of wheat seed and hybrid maize seed for sale to local farmers and government agencies, Kulai and Mostyn Estates, which produce palm oil in Malaysia, Nyambeni Tea Co. in Kenya, and Usutu Pulp Co Ltd in Swaziland, which produces pulp from timber from forest plantations established by the CDC in the 1950s

There was also good progress with agricultural projects still in the development phase. These include smallholder tea-growing schemes in Kenya, Uganda and Malawi and the tobacco-growing schemes in Malawi and Zambia, already referred to. The Shiselweni Forestry Co. (Swaziland) and Sarawak Oil Palms completed planting programmes for the year. Experimentation at Sun Farms Ltd , a horticultural project started in Barbados in 1968 by a British firm, a Barbados firm and the CDC, showed signs of producing answers to cultivation problems which must be solved before crops can be produced on a commercial scale; this project could have significance for other islands in the Caribbean.

The CDC was able to resume control of the Cross River Rubber Estate near Calabar in Nigeria in association with the South East State Government, and was asked to continue managing the Cameroons Development Corporation expansion programme, financed by the World Bank group and the European Economic Community, for a further three years (the original ten-year agreement expired at the end of 1969).

Agricultural investigations carried out by the CDC in 1969 included two on behalf of the World Bank, in Liberia and Sierra Leone. Agreement in principle was reached to start a joint pilot scheme to investigate the possibility of growing wheat and rice under irrigation in the Lake Chad area of the North Eastern State of Nigeria, and to investigate further the possibility of starting a sugar estate in the Numan area of the same state.

Housing

The report points out that as economies develop, more people flock into the main towns from the land. Beside employment they need housing of a decent standard if slums with the social and political problems associated with them are not to arise. Housing consumes a great deal of capital and the CDC has found finance for housing for lower income groups high on many governments' lists of priorities.

The corporation's initial reaction was to encourage private developers or governments to build the houses, restricting its own role to providing mortgage finance facilities for would-be house-owners. Terms for CDC finance were arranged with the purpose of stimulating the developer to build houses of moderate cost, within the reach of people of modest means. This approach has been successful in West Malaysia, Singapore and Hong Kong, where the mortgage finance companies established by CDC initiative are now national institutions capable of raising money on their own credit. In Jamaica the CDC has been most successful in recent years in finding local entrepreneurs who have undertaken estate development around Kingston, backed by CDC finance. In Trinidad and Malawi the same technique has succeeded with building operations being carried out by government agencies.

In 1968 it was decided to extend CDC house mortgage operations to Guyana and islands in the Eastern Caribbean other than Trinidad, where a joint government/CDC company has been operating since 1965. Mortgage companies have since been established in Barbados, Dominica, St. Lucia and St. Vincent (in 1970). It became clear that the CDC would have to play a more direct part in getting the houses built if the demand for loans was to justify these operations. Three companies were established for this purpose: Rock Dundo Development Co. Ltd. in Barbados, East Caribbean Housing Ltd. for the Windward Islands and Guyana Housing and Development Co. Ltd. in Guyana.

Another example of the CDC's help to stimulate house building is in East Africa where three new mortgage companies, formed jointly by the CDC and the Governments of Kenya, Tanzania and Uganda, respectively, on the foundation of the residual East African assets and business of the former First Permanent Building Society, have begun to build up their loans. The CDC also itself completed an estate development at Valley field in Nairobi early in 1970 and is contemplating another similar venture.

The Commonwealth Housing Corporation Ltd., a company formed in 1968 as a wholly-owned CDC subsidiary to provide technical and advisory services, has been closely concerned with all these ventures, and has been consulted by the Ministry of Overseas Development and overseas governments on the formation and implementation of housing policies, particularly as to the development of low-cost housing estates.

Regional Co-operation

On the subject of regional co-operation the annual report made the following comments.

'The small size of the protected market offered within national boundaries in the developing world—apart from the few notable exceptions—is a restrictive factor that the developer soon comes up against. Association for economic purposes on a regional basis should provide an effective solution to this problem and within the CDC area practical steps are being taken in the Caribbean within the framework of CARIFTA and in East Africa through the East African Community gradually to develop common machinery and policies between the constituent territories. The launching of the Caribbean Development Bank at the beginning of 1970 is an event which must be welcomed and it is to be hoped that the Bank and other regional development agencies will concentrate on the support of inter-territorial projects which they are inherently better equipped to promote than the national or international institutions which are already in the field. Otherwise, it is to be feared that the creation of additional agencies, while not increasing the development funds effectively deployed, might be liable to add to administrative cost and dispersion of effort.

'In other directions, the tendency to fragment rather than to come together is still apparent and indeed gathering momentum. Improvements in the means of communication are commonly said to be making the world smaller. For other reasons the world of employment available to many seeking work is rapidly shrinking. The restriction by government action of employment opportunities to nationals is not of course confined to small developing countries, but the results can be particularly unfortunate for them. It is becoming increasingly difficult to employ people of one developing country in another. Small developing countries can in this way lose development potential. Also, as restrictive practices become increasingly widespread, they limit the opportunities to gain wider training and experience open to nationals of the smaller territories.'

Overseas Projects Group

PROGRESS DURING 1969

The Overseas Projects Group (OPG), a division of the Board of Trade, was formed in 1968 'to provide a central point for questions of export trade in capital projects,' defined as those transactions, other than in ships and aircraft, which represent a capital investment by the overseas country concerned and which embody an element of design and construction as well as the supply of capital equipment. The OPG acts as a contact point, and helps to co-ordinate the activities of consultants, contractors, manufacturers and financial institutions. It also helps to finance feasibility studies which may lead to substantial exports of capital goods, and is developing arrangements for nationalised industries and other public bodies to assist British exporters to gain business from capital projects overseas. A supplement to the *Board of Trade Journal* of 24th June reviews the progress of OPG during 1969.

Main Activities of OPG

During 1969, the supplement reports, OPG's work has been concentrated on four specific activities:

Contributing to the cost of feasibility studies overseas which may lead to important export orders.

TABLE 1

VALUE OF CONTRACTS AWARDED IN 1969 (where known)

	Total contracts for which value is known	Percentage of total	Value of contracts £ *million*	Percentage share of total known value	Total contracts for which value is not known	Total contracts awarded	Percentage of total
Awarded to:							
United Kingdom	125	34	505	24	25	150	28
UK/local/foreign	10	3	67	3	3	13	2
UK overseas subsidiaries	23	6	52	3	4	27	5
Total UK	158	43	624	30	32	190	35
France	17	5	174	8	10	27	5
Federal Republic of Germany	30	8	176	[illegible]	16	46	9
Italy	14	4	93	4	5	19	4
Japan	26	8	199	8	10	36	7
Eastern Europe	14	4	236	1	7	21	4
United States	20	5	187	9	13	33	6
Other foreign	35	10	215	10	17	52	10
Local	61	16	384	18	43	104	20
Total	[illegible]	100	2,138	100	159	528	100

Seeking the help of public authorities where their technical and operational experience could strengthen the professional and commercial export effort.

Assisting British interests in specific cases which present new or complex problems.

Indexing overseas capital projects and monitoring developments on them so as to build up data which may be useful in securing future contracts.

Feasibility Fund

In May 1969 OPG was allocated an experimental fund of £100,000 for 1969-70 to help finance feasibility studies and pre-feasibility activities on overseas projects offering attractive prospects for exports of British capital goods. During the year financial support for nine studies was agreed at a cost to OPG of some £27,000, compared with a total project value of over £50 million. The projects mainly concerned mining, mineral treatment, underground railways, agricultural development, and industrial plants, and were located in Latin America, Africa, the Middle East, Eastern Europe and the Mediterranean. The money advanced by OPG is normally repaid if substantial export business has resulted. The Board of Trade has made a similar provision of £100,000 for the feasibility fund in 1970-71.

Public Authorities

During 1969, the report states, OPG extended its contacts with many public bodies, principally the nationalised industries, who are large-scale users of British systems and equipment and whose acquired skill can assist British commercial interests overseas. One example of this kind of activity is the Board of Trade's Directorate of Operational Service Overseas, the main function of which is to give national civil aviation authorities advice and assistance with aviation ground services, telecommunications and navigational aids, and which during 1969 arranged contacts, leading to valuable trade connected with airport development, between British exporters and overseas airport authorities. Other public bodies involved in this type of activity include British Rail, the electricity supply authorities, the Gas Council, the National Coal Board and the Department of Health and Social Security.

British Firms and Capital Projects Overseas

The OPG concentrates on identifying novel or complex features in new projects and, where necessary, aids British firms by enlisting a public authority facility or helping to arrange a consortium of appropriate exporters. Other casework not initiated by OPG arises from firms seeking specialised help of various sorts. During 1969, the report states, OPG became involved in some 150 specific new projects, the assistance rendered varied from simply putting equipment suppliers in touch with contracting firms to continuous assistance by promoting an initial consultancy or outward mission and helping to organise consortia for industrial follow-up. Projects assisted included transport, telecommunications, civil engineering, building, mining, power, industrial plant and agriculture.

Analysis of Projects

One of OPG's main activities, the report states, is the compilation of data on overseas projects, excluding those for which most of the main contracts will be locally placed, with the aim of observing trends in the spread of British successes in securing contracts. The report emphasises that due to the system used in collecting the information, the items recorded are heavily biased in favour of British interests and successes but from the figures collected, assuming

TABLE 2

CONTRACTS AWARDED: ANALYSIS BY MARKET AND NATIONALITY FOR 1969

	UK	Joint UK/local and UK foreign	UK overseas subsidiary	UK total	Foreign	Local	Total	UK share as percentage of total
Middle East	14	3	1	18	54	18	90	20
North Africa	6			6	15	1	22	27
Other Africa	18	1	10	29	29	17	75	39
India/Pakistan Ceylon	2			2	18	5	25	8
Far East	15	3	2	20	17	6	43	47
Australia/New Zealand	9		3	12	12	10	34	35
South America	17	1	3	21	25	7	53	40
North and Central America	12		2	14	15	12	41	34
Caribbean	13		4	17	7	6	30	57
Western Europe	30	4	3	37	31	22	90	41
Eastern Europe	14			14	11		25	56
Total	150	13	27	190	234	104	528	35

TABLE

CONTRACTS AWARDED: ANALYSIS BY SECTOR AND NATIONALITY FOR 1969

	UK	[illegible] and UK foreign	UK overseas subsidiary	UK [illegible]	Foreign	Local	Total	UK share as percentage of total
Civil engineering	[illegible]	[illegible]	[illegible]	[illegible]	17	[illegible]	48	33
Power	2?	[illegible]	[illegible]	[illegible]	[illegible]	16	113	30
Water and agricultural	[illegible]			[illegible]	[illegible]	[illegible]	49	20
Social building	[illegible]		[illegible]	[illegible]	[illegible]	24	58	38
Transport	[illegible]			[illegible]	14	[illegible]	35	23
Chemicals	15	[illegible]		[illegible]	24	6	53	43
Telecommunications	[illegible]		[illegible]	[illegible]	8	4	41	46
Mining	[illegible]			[illegible]	[illegible]	[illegible]	11	36
Oil	[illegible]			8	[illegible]	[illegible]	18	44
Steel	15			20	18	[illegible]	41	49
Other metal	4			4	10	2	16	25
Other	21		1	22	21	2	45	49
Total	150	13	27	190	234	104	528	35

from trends in the spread of British effort in relation to its main competitors '. Some of the principal figures are set out in tables 1-3.

Conclusions of the Report

The report draws the conclusion that the share of projects business which arises from contracts of high individual values illustrates the growing size and complexity of such business 'and the importance of being able quickly to mount effective consortia to tackle it'. With regard to British performance in high-value projects the report states that it 'is not bad, but is not as good as in lower value ones'; but, it continues, 'the wide market and sector spread of United Kingdom successes provides insurance against unpredictable variations in future opportunities'.

Social Security

BILL TO INTRODUCE NEW BENEFITS

The first Bill of the new Parliament, to provide pensions for elderly people who were not pensionable under the National Insurance scheme, pensions for younger widows aged between 40 and 50 and an attendance allowance for the very severely disabled, was given a second reading in the House of Commons on 10th July (*Hansard*, cols. 1007-93). The Bill, known as the National Insurance (Old Persons' and Widows' Pensions and Attendance Allowance) Bill will, at a cost of some £30 million a year, benefit three groups of people whom the Government considers merit special priority.

Pensions

The Bill provides a pension of £3 a week for a single person and £4 17s for a married couple to those who, because they were over pension age in 1948, were excluded from the National Insurance scheme when it started. They are men now aged 87 and over and women aged 82 and over. People of the same age who qualified for contributory pensions under pre-1948 social security schemes and are now entitled to pensions at low rates will also be eligible for the new pension. The Bill also provides for regulations to be made to pay widows' pensions and retirement pensions to widows whose husbands were over pension age in 1948.

Some 100,000 people will qualify for the new pensions, 50,000 of whom are at present receiving supplementary benefit. It is proposed that payment should start on 4th November 1970 when the increased supplementary benefit rates approved by the last Parliament are due to come into force [see 5.6.70 p. 561].

Pensions for Younger Widows

The Bill introduces pensions for women who were between 40 and 50 when their husbands died or when widowed mother's allowance ceased to be payable to them. At present a widow's pension is payable to women over 50, though those with dependent children are eligible for widowed mother's allowance. The rate of benefit will be on a scale reducing by 7s from £5 for each year by which a woman was less than 50 at the date of entitlement. Thus, for a woman who was 49 when her husband died, or the widowed mother's allowance came to an end, the rate of the pension will be £4 13s a week. This falls to £1 10s a week for a woman who was 40. About 100,000 widows will benefit from the new pension, which it is proposed to introduce in April 1971. The bill also provides for the three-year marriage qualification for widow's pension to be dropped.

Attendance Allowance

The Bill also introduces an attendance allowance at the rate of £4 a week for severely disabled people who are in need of attention by day and night or who need continual supervision. [Such an allowance was proposed by the last

Government in the National Superannuation and Social Insurance Bill, see 30.1.70 p. 124.] Eligibility for the new allowance will be decided by an Attendance Allowance Board which is to be set up. There will be no contribution conditions for the allowance and it is estimated that some 50,000 people will qualify initially. Since each case will need medical evidence, it will not be possible to pay the allowance until April 1972.

Education

THE ORGANISATION OF SECONDARY EDUCATION

The Government has withdrawn the circular sent by the Department of Education and Science to local education authorities in England and Wales in July 1965 requesting authorities to submit plans for the reorganisation of secondary education on comprehensive lines [see 3.8.65 p. 752]. This decision was conveyed to local education authorities in a circular[1] dated 30th June from the Secretary of State for Education and Science, Mrs Margaret Thatcher.

Background

The circular of July 1965 had provided local education authorities with detailed guidance on possible interim, as well as long-term, methods of achieving the comprehensive reorganisation of secondary education and had requested them to submit plans along the lines suggested. By the time of the dissolution of the last Parliament on 29th May [see 19.6.70 p. 569] all but 14 of the 163 local education authorities in England and Wales had submitted plans for comprehensive reorganisation. Of the plans submitted, 17 were either under consideration by the Department of Education and Science or had been referred back to the local education authorities for their reconsideration. The number of plans implemented or approved totalled 132, of which 115 were for the whole or greater part of the areas concerned and 17 for only part of the areas concerned. By the end of May there were 1,137 comprehensive schools, 2,690 secondary modern schools and 1,026 grammar schools.

A Bill introduced by the last Government and designed to supersede the 1965 circular by imposing a duty on local education authorities to plan for and to achieve a system of comprehensive secondary education [see 27.2.70 p. 226] did not complete its passage through Parliament before the dissolution [see 19.6.70 p. 537].

The New Circular

It was the Government's aim, the new circular said, that all pupils should have full opportunities for secondary education suitable to their needs and abilities. The previous circular was withdrawn, however, because the Government believed it was wrong to impose a uniform pattern of secondary organisation on local education authorities by legislation or other means. Under the new circular the education authorities would be freer to determine the shape of secondary provision in their areas, though the Secretary of State would expect educational considerations in general, local needs and wishes in particular and the wise use of resources to be the main principles determining the local pattern. The circular went on to point out that in many areas recent rapid changes in secondary school organisation had imposed considerable strains within the education system and that the Secretary of State did not wish, without good

[1] Circular 10/70, Organisation of Secondary Education.

reason, to cause further change in areas where a particular pattern or organisation was working well and commanded general support.

The circular then considered the situation with regard to existing plans for reorganisation. Those authorities which had had their plans approved by the Department of Education and Science were informed that they could either proceed to operate them unchanged or notify the department of their wish to modify them. Those whose plans were currently being considered by the department were requested to make it known whether they wished to have them further considered or to have them withdrawn. Any new plans submitted would be considered by the Secretary of State.

The circular concluded that, whatever the course adopted, the Secretary of State expected the local education authorities to maintain close consultation with those representing the denominational and other voluntary schools in their area, to discuss any proposed changes with the teachers and to provide full opportunities for parents to make their views known before decisions were taken.

Immigration Policy

The Government's future policy on immigration was outlined during the debate in the House of Commons on the Queen's Speech on 3rd July by the Home Secretary, Mr Reginald Maudling (*Hansard*, cols 210-13). He said that the Government had two clear principles. First, "there must be no first-class and second-class citizens and no discrimination." All who lived in Britain must be equal before the law and in all social terms as well. Second, the Government believed that any further large-scale immigration would be bad for everyone in Britain, including immigrants already here.

Strains arose, said Mr Maudling, because of the concentration of immigrants in certain areas and because of the speed with which the concentration had transformed the whole social nature of parts of the community. The measures which the Government proposed would have no effect on immigrants already in Britain. They would continue to live as they now did, with the same freedoms, and would be entitled to bring their wives and young children to live with them. The Government would assist those who wished to be repatriated but would not in any way compel them to be repatriated.

For the future, continued Mr Maudling, changes would be proposed in a Bill to ensure that there would be no more permanent large-scale immigration. In future a Commonwealth citizen who wished to work in Britain would have to obtain a work permit for a particular job in a particular place. Permits would be granted only where local labour was not available and for a maximum of 12 months in the first instance. Extensions of stay thereafter would be considered on merit and would be granted only if the applicant remained in the approved employment or obtained other approved employment. There would be no right of permanent settlement and, as with people from outside the Comonwealth, applications for permanent settlement would be considered on merit at the end of four years in approved employment. The Government would continue to stress the need to improve community relations and intended to continue the expanding urban programme which would help areas of social need regardless of whether there were immigrants in these areas.

United Kingdom Passport Holders in East Africa

Mr. Maudling went on to discuss the special problem of United Kingdom passport holders in East Africa. The situation arose from conflicting duties-

duties to the passport holders themselves and to the community in Britain, including immigrants already in Britain, in the light of the potential numbers involved. It was for these reasons that a quota system had been introduced by the previous Government. This had been, and was being, supported as the best policy in the general interests of all concerned.

Recently a number of people had jumped the queue and a certain number of cases had been dealt with on an *ad hoc* basis. Under arrangements with the airlines the Government was now ensuring that people would not come directly to Britain in advance of their place in the queue. Arrangements had also been made with most of the European countries concerned to ensure that such people could not come to Britain indirectly via the Continent. Mr. Maudling said he intended to seek ways of mitigating the pressures to which passport holders might be subject in the countries in which they were living. It was these pressures that were creating the problem.

Planned Extension for National Gallery

Plans for a major extension to the National Gallery in London on a half-acre site behind the existing building were announced by the Ministry of Public Building and Works on 30th June The scheme, which will cost some £1·2 million, has been designed by architects at the Ministry in consultation with the trustees of the gallery. It will provide ten new fully air-conditioned display rooms, thereby expanding the gallery's wall space by 25 per cent. In addition, there will be more hanging space for the reserve collection, and extra room for laboratories and offices.

The extension is to be modern in style, but is planned to conform to the main lines of the original building and to be built in a similar type of stone Plans and models of the design have been placed on display at the gallery for public inspection. If the scheme is approved by the Westminster City Council, it is hoped that work on the extension may begin within two months The whole project is expected to take nearly four years to complete.

DOCUMENTATION

Government and Administration

Her Majesty's Chief Inspector of Fire Services. Report for 1969	Cmnd 4397 HMSO, 3s 6d
Commissioner of Police of the Metropolis. Report for 1969	Cmnd 4355 HMSO, 9s 6d
Her Majesty's Chief Inspector of Constabulary. Report for 1969	H.C. No. 308 HMSO, 11s
Britain in Brief	COI, RF P 5503/70
List of United Kingdom Ministers	COI, R 5657/70 1

External Affairs and Defence

United States. Amendment to the Agreement between Britain and the United States for co-operation on the uses of atomic energy for mutual defence purposes of 3rd July 1958	Cmnd 4383 HMSO, 6d
Fiji. Report of the Fiji Constitutional Conference 1970	Cmnd 4389 HMSO 6s 6d
Crown Agents. Annual report for 1969	Crown Agents, 4 Millbank, London SW1, free
[illegible]	COI R(DFS) 5053/70
British Volunteers Overseas	COI, Factel No. 606

Economic and Scientific Affairs

The Caribbean. Agreement establishing the Caribbean Development Bank	Cmnd 4358 HMSO, 4s
Congo (Kinshasa). Agreement on commerce and economic co-operation between Britain and the Democratic Republic of the Congo	Cmnd 4364 HMSO, 1s 3d
Yugoslavia. Exchange of Notes between Britain and Yugoslavia amending the Agreement of 29th April 1969 concerning the abolition of visas	Cmnd 4390 HMSO, 9d
Brazil. Agreement on technical co-operation between Britain and Brazil.	Cmnd. 4391 HMSO, 1s 9d

United Kingdom and the European Communities. Statement made by Mr. Anthony Barber, Chancellor of the Duchy of Lancaster, at the meeting of the conference between the European Communities and the states which have applied for membership at Luxembourg on 30th June.	Cmnd. 4401 HMSO, 1s 3d
Committee on Invisible Exports. Annual report, 1969-70.	Committee on Invisible Exports, 23 Fenchurch Street, London EC3
Report of the Chief Registrar of Friendly Societies for 1969 Part 2, Building Societies.	HMSO, 8s

Social and Cultural Affairs

Central Health Services Council Report for 1969 The report summarises conclusions reached on topics considered by the council, including the functions of the district general hospital, the domiciliary midwifery service fluoridation and health and welfare services for people suffering from epilepsy	HC No 8 HMSO 3s
CLASP/JDP The Development of a Building System for Higher Education University Grants Committee, University Building Notes and Department of Education and Science Building Bulletin No 45	HMSO, 15s
Survey of In-Service Training for Teachers Statistics of Education, Special Series No. 2.	HMSO, 30s
A Compendium of University Entrance Requirements for first-degree courses in the United Kingdom 1971-72 Published by the Association of Commonwealth Universities for the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom	29 Tavistock Square, London WC1H 9EZ 18s
Aspects of Primary Education The Challenge of Gittins Schools Council Committee for Wales	Evans Methuen Educational Montague House Russell Square London WC1, 7s 9d
Building for Health. No. 35 in a series of papers on current health problems.	Office of Health Economics, 162 Regent Street London W1R 6DD, 1s 3d
Arts Council Inquiries. The Arts Council has set up two committees of inquiry. The first, under the chairmanship of Professor Roy Shaw of Keele University, will investigate present arrangements for training arts administrators, assess the effectiveness of past courses and make recommendations for the future. The second, under the chairmanship of Mr. Aubrey Jones, chairman of the National	Press releases Arts Council 22.6.70 and 6.7.70

Board for Prices and Incomes, will review the structure of seat prices for theatre and concert performances in Great Britain, and make recommendations on seat pricing policies to be adopted by organisations subsidised by the Arts Council.

Phasing of Rent Increases. A guide for private landlords and tenants. — MHLG, free

The Churches. Fact Sheet on Britain. — COI, R 4735/A 8

HMSO Publications

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UNITED KINGDOM GOVERNMENT POLICY REAFFIRMED

The United Kingdom Government's two-fold policy in Northern Ireland—first to see that grievances were dealt with and second to maintain impartially, public order and freedom under the law—was reaffirmed by the British Home Secretary, Mr Reginald Maudling, during the debate on the Queen's Speech in the House of Commons (*Hansard*, 3.7 70, cols. 204-210). The Home Secretary paid a personal tribute to his predecessor, Mr Callaghan, ' for the efforts he made to deal with this dire problem, for the standing that he has in Northern Ireland, and the sincerity of his efforts in this matter.'

Mr. Maudling, whose two-day, fact-finding visit to Northern Ireland had coincided with renewed outbreaks of violence in the Province, which had caused loss of life and considerable damage to property, had previously given the same assurance to the people of Northern Ireland At a press conference in Belfast on 1st July, he told his audience that British army forces[1] would remain in Northern Ireland as long as needed ' to secure peace and freedom and to allow every individual to live his own life and go about his business without fear ', and that the new Government would continue to give full support to the measures of reform initiated, and at present being implemented, by the Government of Northern Ireland [see 16 1 70 p. 52 and 13 3.70 p. 245].

House of Commons Debate

In his speech during the debate, the Home Secretary told the House that during his visit he had seen many people, including members of the Northern Ireland Government, members of Parliament at Stormont, representatives of the trade unions, and leaders of the religious communities, and that the one impression he had gained was ' of the unanimity of their desire for a peaceful future '. He left with the conviction that there was a solution to the present problems and that there was ' politically the will to find a solution '. The small groups whose aim was anarchy and the disruption of the state could not succeed unless they could enlist the support of a wide range of the people.

Of the Northern Ireland Government's programme of reform, which he described as ' ambitious, bold, and far-reaching ', ranging as it did from tackling the housing problem to dealing with incitement to hatred, Mr. Maudling said that the United Kingdom Government would support it ' to the hilt '. Because it recognised that economic progress was ' absolutely essential ', the Government had also accepted, promptly and in full, the development programme (see pp. 688-90) which the previous Government hadhad before them and had handed on. This programme would be very expensive in terms of public expenditure, said the Home Secretary, but the present Government entirely agreed that it was

[1] There are at present about 7,000 troops in Northern Ireland.

ssential for the prosperity and, therefore, the long-term peace of Ireland. At the ame time 'no economic assistance, no amount of money, can guarantee conomic progress unless there is confidence, so that business can come to Northern Ireland and expand'.

Mr. Maudling went on: 'With the reform programme must be the absolute etermination to see that violence will not succeed. I must make it clear once gain that we shall not flinch from any measures which may be needed for the aintenance of peace and the protection of life and limb. The troops will emain as long as they are needed in adequate force to do what is needed. There ill be no change in the status of Northern Ireland as part of the United Kingdom ithout the consent of Northern Ireland. Let there be no doubt whatsoever that is is the view of the Government, and I am convinced that it is the view of this ntire House of Commons'.

Speaking for the Opposition, Mr. Callaghan, Home Secretary in the revious administration, welcomed Mr. Maudling's remarks about the import- nce attached to the reform programme. He was also very glad that the new Government had accepted the development programme in its entirety Further, e wanted to make it clear that it would not be the policy of the Opposition to upport one side against another: that would worsen the situation. The Labour arty would try to approach the matter from the point of view of how far the andards in Northern Ireland approximated to standards in the rest of the United Kingdom; how far discrimination, 'historically deep and divisive as it as been in Northern Ireland', was being rooted out; and how far the Govern- ent was attempting to ensure that all citizens, no matter what their background nd religion, had the same opportunities. 'This', said Mr. Callaghan, 'is the nly approach that can lead to some peace in Northern Ireland.'

ECURITY

n answer to a question in the House of Commons on 6th July by Mr. Gerald itt (*Hansard*, col. 328), Lord Balniel, Minister of State, Ministry of Defence, ated that searches for arms--which had revealed 52 pistols, 35 rifles, 6 auto- atics, 14 shotguns, 25 lb explosives, 20,750 rounds of ammunition and 8 enades—had been carried out by units of the British army on 4th and 5th ly under Regulation 4 of the Civil Authorities (Special Powers) Acts (Northern eland) 1922-43, a regulation which empowers the security forces to search any emises which are under suspicion of being used for purposes prejudicial to the eservation of peace and the maintenance of order. Lord Balniel also stated at the restrictions on movement imposed during the period did not represent a rmal curfew under the Special Powers Acts, but had been ordered by the mili- ry commander (after the army had come under heavy attack from grenades d firearms and a street battle had developed) in the interests of the safety of e people as a whole and to 'restrict the operations of armed criminals' llegations about looting and the excessive use of force by the troops, which had en made in some quarters, would, if referred to the Minister, be thoroughly vestigated. In the meantime two 'complaints centres', manned both by the oyal Ulster Constabulary and the British army, had been set up in Belfast, to hich specific complaints might be made for investigation by the authorities.

Repudiating suggestions that the military forces were acting other than partially, Lord Balniel said that he was deeply impressed by the impartial ay in which they had conducted their extremely difficult task. Replying to Mr. enis Healey, for the Opposition, he agreed that 'arms held by whatever section the community should be brought in and should not be allowed to continue be held in private hands'.

Orange Order Parades

The Orange[1] marches, which took place in Belfast and 16 smaller towns in Northern Ireland on 13th July, passed without incident. It had been feared that they might prove the occasion for further serious unrest in the Province: extensive security operations were therefore mounted by the British army in Northern Ireland and the Royal Ulster Constabulary (RUC), and appeals for restraint were made by the Governments of the United Kingdom, Northern Ireland, and the Irish Republic.

In a message to the United Kingdom Prime Minister on 14th July, the Northern Ireland Prime Minister, Major Chichester-Clark, expressed his pleasure in being able to report that ' yesterday, with the eyes of the world upon them, the Ulster people behaved with great restraint, good humour and common sense ', and his gratitude to the British Government for having made additional troops available. ' We are all grateful ', said Major Chichester-Clark, ' for the manner in which the army, from the GOC down, has undertaken this onerous task. We are also extremely proud of the conduct and bearing of the RUC and the UDR[2]. A great contribution to peace was made . . by the ready way in which the parade organisers were prepared to co-operate with the security authorities and the willing acceptance of advised changes in arrangements by those taking part, who behaved with dignity and discipline. This can no less be said of the wider population, who neither gave nor looked for provocation.' Major Chichester-Clark went on to thank ' all those either within Northern Ireland or further afield, who counselled restraint and used their influence for it '. ' I hope and pray ', he said, ' that this happy outcome of a testing day will be an encouragement for all to move towards a happier and more peaceful atmosphere.'

Ban on Processions

On 23rd July the Northern Ireland Joint Security Committee issued a statement announcing the full restoration of a normal civil police service to all areas, and a six months ban on processions in the Province, with the exception of those to and from churches on Remembrance Day--Sunday, 8th November.

The re-introduction of ordinary civil policing was for the benefit of local communities, and the committee was confident that the overwhelming majority of people in the areas concerned (the Falls, Belfast, and Bogside, Londonderry) would welcome it. The ban would serve the general public interest by greatly easing the task of the security forces, as it would prevent their being diverted by the necessity to control, direct, and protect various processions with the consequent drain upon manpower

In a comment issued by the Home Office on the same day, the British Home Secretary, Mr Maudling, said that he welcomed the statement. Both the measures announced would, in his opinion, contribute ' to the maintenance of peace and present a new opportunity for all people of goodwill to work together towards the establishment of peace and prosperity which the people of Northern Ireland so much desire '.

VIEWS OF THE GOVERNMENT OF THE IRISH REPUBLIC

The Government of the Irish Republic has expressed continued concern over the situation in Northern Ireland, and has been in close contact with the British Government during the past months. Dr. Hillery, the Minister for External

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[1] Parades to celebrate the Protestant victory at the Battle of the Boyne in 1690, organised and attended by members of the lodges of the Loyal Orange Institution of Ireland—an organisation which is thought to date from the eighteenth century and the principal aims of which include the preservation of the Protestant religion, the preservation of the Protestant monarchy, and the preservation of Northern Ireland.

[2] The Ulster Defence Regiment [see 16.1.70 p. 81].

Affairs, has on two recent occasions (on 29th June and 8th July) met Sir Alec Douglas-Home, Secretary of State for Foreign and Commonwealth Affairs, to discuss the situation. While expressing disquiet at some aspects of the situation in Northern Ireland, the Irish Government has firmly restated that its policy is to seek the reunification of Ireland only by peaceful agreement with the people of Northern Ireland, has condemned the use of violence, and has urged people in the republic to refrain from words or actions which might worsen the situation[1]. The Irish Government has also urged the British Government to ensure the continued implementation of the programme of reform in Northern Ireland (see pp. 685-6), feeling that the attainment of a greater degree of social justice would do much to promote peace in the province.

On 6th July Dr. Hillery privately visited the Falls Road area of Belfast, to meet and talk with people in the area. The visit was later described by the Irish Government as an 'initiative to peace', designed to facilitate the communication of the feelings of the people in the area to the British Government. It was reported that in a press conference following his meeting with Sir Alec Douglas-Home on 8th July, Dr. Hillery had indicated that he had requested the re-routing of the Orange Order parades from sensitive Catholic areas, and urged that arms searches in Northern Ireland should be carried out impartially in both Protestant and Catholic areas. The Irish Government had issued a statement on 5th July suggesting that there had been 'unilateral disarmament of one section of the Belfast people—the Catholic minority in the Falls area. This inevitably causes fear among these people which can only be allayed by the absolute guarantee of their protection and the equally effective disarmament of all others who hold arms illegally.' To allow 'provocative parades' to take place in the present climate was wholly indefensible.

Speaking in the House of Commons on 7th July concerning Dr. Hillery's visit (*Hansard*, cols. 494-6), Sir Alec Douglas-Home said that it was natural that Dr. Hillery should wish to keep himself informed of the situation, but he would have expected Dr. Hillery to consult the British Government in advance. He hoped that the Irish Government would co-operate with the British Government to try to calm an extremely difficult situation

The Irish Government has indicated that it does not at present intend to raise again the question of Northern Ireland in the United Nations [see 29.8.69 p. 753-4]. In a broadcast speech on 11th July, Mr. Lynch affirmed his commitment to Anglo-Irish friendship. 'Our two Governments', he said, 'have surmounted many difficulties to establish a unique relationship Our peoples know and like each other. This Irish quarrel, in which [the British Government] have responsibility, must not go on coming between us'

DEVELOPMENT PROGRAMME 1970-75

A Northern Ireland development programme for the period 1970-75, based on a report by three eminent consultants—Sir Robert Matthew, Professor Thomas Wilson and Professor Jack Parkinson—and an associated White Paper setting out the action which the Northern Ireland Government intends to take to implement the measures of economic and social improvement put forward, was published on 23rd June (HMSO Belfast, 20s). Subjects covered in the programme include the following:

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[1] In early May, Mr. Lynch, Prime Minister of the Irish Republic, asked two of his Ministers—Mr. Haughey, Minister of Finance, and Mr Blaney, Minister of Agriculture—to resign, since he had evidence that they had not supported the Irish Government's policy in this respect Mr. Lynch later explained that he had received information purporting to involve the Ministers in smuggling arms to Northern Ireland. A third Minister, Mr. Boland, Minister of Local Government, resigned in sympathy. Mr. Haughey and Mr. Blaney were arrested on 28th May and charged with others with conspiring to import arms and ammunition illegally. The charges against Mr. Blaney were dropped on 2nd July.

Industrial Development. Plans for improving the present range of financial incentives to projects offering worthwhile new employment include proposals (a) to offer capital grants to new and expanding industries within a range of 45 to 60 per cent, the rate of grant to depend on the labour potential of each development with the best terms reserved for those in areas of high unemployment, and (b) to make a special feature of flexible assistance towards the costs of establishing new industrial projects by means of loans, employment grants, and contributions towards expenses connected with management and personnel. These incentives would be used to further the Government's policy of encouraging maximum industrial development in three centres of accelerated industrial growth Greater Belfast and Londonderry, which would be heavily oriented towards the accommodation of major industrial projects, and Ballymena—and eight other key centres. To stimulate and encourage small local projects it is proposed to establish an organisation, to be known as the Local Enterprise Development Unit, which, in addition to identifying potential for development, would provide a wide range of advisory services and would engage in general promotional and publicity activities for local enterprise.

The Government will make every effort towards the implementation of the recommendations in the report aimed at improvements in training in industry, industrial relations, and other aspects of manpower policy.

Housing and Mobility. It is proposed that the housing programme should aim at the completion of about 75,000 houses in the next five years, and it has already been announced that the necessary financial backing will be made available to enable up to 73,500 houses to be built in that period. The achievement of this target, which will involve slum clearance and redevelopment, will be facilitated by the Government's decision to set up a central housing organisation [see 13.3.70 p. 246] which would be responsible both for the clearance of an area and for rehousing those families who are prepared to move [Legislation to give effect to this decision the Housing Executive Bill (Northern Ireland)--has been introduced in the Northern Ireland Parliament.]

To encourage population mobility throughout Northern Ireland—a prerequisite to the achievement of many aspects of the development programme—it is proposed to establish, as soon as possible, a Central Mobility Office in Belfast to provide a focal point for the co-ordination of all mobility schemes and an advisory centre for all types of mobility inquiry.

Transport. It is proposed that an opportunity should be given to the present railway system in Northern Ireland to show whether it can provide attractive services at reasonable rates without an excessive amount of financial assistance from the Government. A revised roads programme is contemplated, which would include a limited number of regional routes as a framework for the development of the Province and some roads built in remoter areas as a social investment.

Tourism and Amenity. Plans include an urban and rural improvement campaign to help to provide a more attractive base for new industrial development, while encouraging tourism and enhancing amenity, and increased expenditure on tourist development facilities.

Education. The Government intends to raise the school-leaving age to 16 in 1972-73, and, by careful planning, to meet the need for new and extended schools at all levels caused by this decision, by the increasing number of pupils remaining at school beyond the age of compulsory attendance, and by the population growth. In the field of vocational education, plans include the establishment (at a cost of some £2.3 million) of the Regional College of Technology and the College of Commerce and Management as part of the Ulster College complex at Jordanstown. For higher education, capital investment, estimated at about £16 million, is proposed, to enable Queen's University

(Belfast) to maintain its high standards and to provide for the expected growth of the New University of Ulster.

Social and Recreational Facilities. It is planned to give priority to the provision of social and recreational facilities both in the major urban areas of Belfast and Londonderry, where such facilities are seriously under-provided at the moment, and also in the growth centres as an integral part of the proposed new housing and industrial development.

Health and Welfare Services. Enlarged capital expenditure programmes on hospital and health and welfare services are planned, in order to enable Northern Ireland to keep abreast of the rising standards in the United Kingdom at large.

Cost of the Programme

It is estimated that an increase of £74,350,000 over the existing public expenditure programmes will be required to implement the development programme, the major items of increase being £12,500,000 for industrial inducements, £12,500,000 for housing, £11,000,000 for roads, £9,900,000 for industrial training, employment services and industrial relations, and £6,900,000 for social and recreational facilities.

With the object of providing the maximum resources to tackle the problem, the Northern Ireland Government has decided to promote legislation in 1971 to withdraw the estate duty concession which has, in the past, eased the estate duty position for the middle range of estates in Northern Ireland, and further legislation in 1972 to reduce from 75 to 50 per cent the derating concession enjoyed by industry. The United Kingdom Government has agreed to make additional finance available, where necessary.

LOCAL GOVERNMENT

The concept of Stormont, that is the regional Parliament, Government and the Ministries, as one level and a number of elected district councils as the second level constitutes the main recommendation in the report[1] of the review body set up in December 1969 to look into the existing Government proposals for reshaping local government in Northern Ireland [see 7.11.69 p 986]

The System in Brief

The system recommended by the review body is as follows.

(1) There should be two levels of executive responsibility (a) the elected regional Government responsible to Parliament and working through Ministries, and (b) up to 26 elected district councils working as local authorities responsible to their electorates.

(2) Ministries should be responsible for regional (or wide-area) services, and district councils for district (or local) services.

(3) Ministries should decentralise to provincial towns the day-to-day management of regional services under flexible arrangements appropriate to the particular service, for instance, health, welfare, child care, education and public libraries to agent boards in four areas, and other services to local offices or delegated to district councils

(4) District councils should be responsible for district functions in five categories: (i) executive functions directly conferred on them by law, (ii) agency functions delegated by Ministries, (iii) representative role on

[1] Cmnd. 546, HMSO Belfast, 7s, June 1970.

area boards and other agencies, (iv) consultative role as consumer councils, and (v) ceremonial.

(5) The rate should be struck in two parts: regional and district.

(6) There should be community groups for small localities where desired.

It is suggested in the report that each district council should be based on a main town or centre. No place would remain for county councils in the new structure; the county boroughs of Belfast and Londonderry would become district councils, but would retain their ancient civic dignities.

ULSTER REPRESENTATION AT WESTMINSTER

In the new Parliament at Westminster, elected on 18th June, Ulster representation is as follows:

Unionist Party	8 seats
Republican Labour (Mr Gerald Fitt) ..	1 seat
Independent (Miss Bernadette Devlin) .	1 seat
Protestant Unionist (Rev Ian Paisley) .	1 seat
Unity (Mr. McManus) . .	1 seat

The Unionists increased their majorities in five of the eight seats that they retained. Miss Bernadette Devlin, who was active in the formation of the 'People's Democracy' organisation, and is at present serving a six months' prison sentence for 'incitement to riot',[1] and Mr. Gerald Fitt, members of the last Parliament, also increased their majorities. Mr McManus, who urged in his maiden speech on 3rd July that 'the partition solution for Ireland has obviously and evidently failed', had a majority in Fermanagh and South Tyrone of 1,447. Mr Paisley, whose political views were described in the Cameron Report as 'of an extreme Protestant and Unionist character', had a majority in Antrim (North) of 2,679.

[1] Constitutional and procedural issues arising from the imprisonment of Miss Devlin were discussed in the House of Commons on 23rd July (*Hansard* cols. 947-1010). The House referred to its Committee of Privileges the questions of the rights of members detained in prison, and of their constituents.

EXTERNAL AFFAIRS AND DEFENCE

Britain and the EEC

MEMBERSHIP NEGOTIATIONS

The formal opening session of the negotiations for the enlargement of the European Community was held in Luxembourg on 30th June Statements were made by the President of the Council of Ministers, M. Pierre Harmel, on behalf of the Community, and by senior Ministers from Britain, the Irish Republic, Norway and Denmark. The outgoing President of the Commission, M Jean Rey, also addressed the session.

Ministerial statements have indicated that the negotiations are expected to last for at least a year. The British delegation was led by Mr. Anthony Barber, who was then Chancellor of the Duchy of Lancaster[1], the Community had decided that the President of the Council of Ministers would negotiate on its behalf, the Commission being entrusted, in liaison with the applicant states, with seeking solutions to specific problems and presenting them to the Council for consideration.

OPENING STATEMENTS

The statements made by both the Community and the applicant states stressed the need for greater European unity and its achievement through the enlargement of the Community. They indicated the firm desire of all the participants to seek a successful outcome in the negotiations, while at the same time they emphasised the problems which needed to be solved

The Community's Position

Presenting the Community's position, M. Harmel was fulfilling his last duty before handing over to the Foreign Minister of the Federal Republic of Germany, Herr Walter Scheel, who will occupy the post of President of the Council until the end of 1970 M. Harmel noted that the negotiations should be seen in the context of 'a threefold movement, decided upon at the summit meeting at The Hague: the transition to the final period of the Common Market, the internal development of the Communities, and their enlargement' He went on: 'These three themes are not linked in such a way that one is a precondition for the others, but three complementary aspects of the second decisive stage in the construction of Europe'.

This movement involved the adoption of arrangements for the future financing of the Community (without excluding the possibility of later adaptation by unanimous decision), the increased self-sufficiency of the Community through control of its own resources, and the extended powers and status of the

[1] On 25th July Mr. Barber was appointed Chancellor of the Exchequer following the death of Mr Iain MacLeod; on 28th July he was succeeded as Chancellor of the Duchy of Lancaster and in his responsibilites for Britain's negotiations to join the European Community by Mr Geoffrey Rippon, previously Minister of Technology.

European Parliament—including the question of direct elections. The future internal development of the Community demanded the formation of a plan for progressing to economic and monetary union, furthering and co-ordinating the Community's technological activities in research and development, working out a future programme for the European Atomic Energy Community (Euratom), and the question of the Social Fund and closer concertation of social policies. The Community would put its plans during negotiations to the applicant states, who would be asked to accept any decisions on the same basis as the earlier ones taken since the treaties came into force. The ministerial study of the problems relating to political unification would continue, while bearing in mind the proposed enlargement of the Community.

Guiding Principles

Turning to the principles of the Community's position, M. Harmel stressed that the Community assumed that the applicant states accepted the treaties and their political objectives, all the decisions of every type which had been taken since the treaties came into force, the choices made in the field of development, and the agreements already concluded with third countries. The object of the negotiations should be to find solutions to the problems through transitional measures of restricted duration rather than changes in existing rules; such measures should embody the principle of reciprocity of benefits, especially in the fields of industry and agriculture While the transition period for trade should be the same for all new members, for other fields it could vary, but the accession treaties should enter into force on the same date

Noting that the Community's responsibilities towards developing countries would increase, M Harmel stated that the principle of association would continue, bearing in mind the renegotiation scheduled for 1973 of existing association agreements Early consultation should be held on the problem of generalised preferences

The Community was prepared to open negotiations at ministerial level with other members of EFTA, perhaps starting in autumn 1970, and would prefer any agreement (which would be binding on the whole Community) to come into force at the same time as the accession treaties. It would be necessary to find ways of enabling applicant states to be associated with the preparation and conclusion of these agreements

M Harmel said that although much of the early work in the negotiations would be done on a bilateral basis, all states would need to be kept fully informed. Finally, he said the Community would employ a uniform negotiating procedure at all levels and for all questions. The negotiations would take place in the framework of a conference between the Community and the states which have applied for membership.

The Irish Republic's Position

The Foreign Minister of the Irish Republic, Dr. Patrick Hillery, said that the movement of Britain and the Irish Republic to a wider European Common Market should advance from the present position 'which already includes some element of a common market between them'. He stressed that the Irish Republic considered very important the procedures whereby each country could participate in negotiations on all matters which affected its interests, as in the case of the agricultural question between Britain and the Community; he did not, however, expect that the application of the Common Agricultural Policy would present any major difficulty to the republic. There were certain other matters which would need to be discussed, however, including animal and plant health regulations and fisheries, certain industrial problems (especially regarding short-term adaptation), the case of some sensitive industries, and the need to disturb as little as possible agricultural and industrial trade between

Britain and the Irish Republic. Steady growth of the republic's economy had been sustained; if the republic were to become a member of the Community, the structure and efficiency of Irish industry generally would be strengthened in the long view.

Norway's Position

The Norwegian Foreign Minister, Mr. Svenn Stray, said that Norway viewed the Rome treaties and the rules which the Community had since adopted as a 'suitable basis for an extended European co-operation'. He pointed out, however, that there would need to be a referendum of a consultative nature in Norway on the agreements reached in the negotiations. Mr Stray drew attention to certain problems, for which lasting solutions would have to be found, both agricultural and economic. For Norway, with a comparatively low level of total food production and farm prices higher than those of the EEC, both increased foreign exchange expenses, and a loss of farm income would result from acceptance of the Common Agricultural Policy. With the dependence of the Norwegian economy—almost total in some regions—on the fishing industry, matters pertaining to fisheries, laws relating to the exploitation of natural resources, and Norway's regional policy would be of major relevance. The Foreign Minister also stressed the importance of the Nordic labour market and the EFTA market to Norway's economy.

Denmark's Position

Setting out Denmark's position, Mr. Nyboe Andersen, the Minister of Economic Affairs, said that he foresaw few problems. Denmark requested no transitional measures, although, should these result from the negotiations, they should be equal for both agriculture and industry. A long transition period of as much as five years 'could make the adaptation of Denmark to the co-operation in general more difficult'. In agricultural transition arrangements, the initial adjustment of farm prices to the EEC common price level should be as large as possible, and perhaps the overall transition could be brought about by three adjustments of equal magnitude. Such a transitional period for agriculture would necessitate a similar one regarding the liberalisation of capital movements, owing to the Danish balance of payments position It was also the Danish Government's view that, at the same time, co-operation between Denmark and other Scandinavian countries should be continued and, indeed, be further expanded.

Britain's Position

A statement on the British negotiating position was delivered by Mr Anthony Barber. He again stressed that the outcome of the negotiations would be of great importance both for the Community and for Britain Summing up the general atmosphere of cordiality which pervaded the opening session, he said: 'We meet today with goodwill on all sides . . . with a determination on the part of all of us to do everything to reach a fair solution'. After alluding to the historic nature of the negotiations, Mr. Barber gave an account of some of the more important problems which Britain considered should be discussed and resolved in the negotiations.

The text of the major part of the British statement is as follows (side headings added):

We meet today with goodwill on all sides and, I believe, with a determination on the part of all of us to do everything possible to reach a fair solution.

Nine years ago we began negotiations for membership of the European Communities. We entered those negotiations with high hopes, but they were not to be fulfilled. Then, in May 1967 the previous British Government applied to join. And now, today, I want my colleagues in the Communities to know that the new Government in Britain are confident that with goodwill these negotiations now beginning can succeed. Our task is, therefore, to work out terms which are fair. And if none of us loses sight of the compelling reasons for uniting and strengthening Europe—reasons which have grown stronger with the years—then fair terms will be found.

The fact is that none of us acting alone can gain the ends which we desire for our own people in terms of physical security or economic or social advance. Looking beyond our own frontiers, there are still dangers, and it is right that Europe should assume a greater share of responsibility for its own defence. That too is our joint concern.

And it is wholly unrealistic to separate the political and economic interests of Europe, because our place in the world, and our influence, will be largely determined by the growth of our resources and the pace of our technological development. Economic growth and technological development today require that we integrate our economies and our markets.

Towards European Unity

Europe must, of course, take full account of the views of its friends and allies in other parts of the world. But let none of us who is taking part in these negotiations lose sight of our common objective of European unity. And let no-one who is not taking part think it could be in his interest that we should fail to achieve that objective. For given this base, we can not only hope for, but more effectively work for a closer and more fruitful relationship between East and West. We can do more to promote the growth of international trade. And we can make a fuller European contribution to solving the problems of less prosperous countries.

These are the reasons why we want a united Europe. We want Europe to prosper. But we do not seek prosperity for Europe alone, any more than you do. We believe with you that Europe still has its contribution to make beyond its own frontiers and we believe that Europe cannot make its full contribution unless the Communities are enlarged to include Britain.

The Governments of Denmark, the Irish Republic and Norway have also decided to apply to join the Communities, and we warmly welcome their decisions. We also believe that a number of European countries which do not join the Communities as full members will nevertheless have a valuable contribution to make to many of our common objectives, and that it will therefore be in the interest of all of us that these countries should find a mutually satisfactory relationship with the enlarged Communities.

The Main Issues

Both Mr Heath, in a speech last month, and the previous British Government have made it clear that we accept the treaties establishing the three European Communities and the decisions which have flowed from them. I confirm that this is the position of Her Majesty's Government, subject to the points to which I now turn.

The list of questions which we wish to see covered in negotiations remains the same as those put forward by the previous British Government in July 1967 [see 4.8.67 pp. 783-8]. For Euratom and the European Coal and Steel Community we seek only a very short transitional period. Adaptation to the obligations of the European Economic Community will clearly require more time than that. And it would be unrealistic not to face up to the fact, at the outset, that there are some very difficult problems to be solved. Our main problems, as you know, concern certain matters of agricultural policy,

ur contribution to Community budgetary expenditure, Commonwealth sugar exports, New Zealand's special problems, and certain other Commonwealth questions.

You mentioned one of these Commonwealth questions, Mr. Chairman, when you eferred to the enlarged Community continuing the policy of association, You referred n this context to independent countries in Africa. I recall that, during the 1961-63 negotiations, it was provisionally agreed that association under what was later nego- iated as the Yaoundé Convention should be open to independent Commonwealth ountries in the Caribbean as well as in Africa The Community subsequently repeated his offer in its Declaration of Intent of July 1963.

The position which the previous British Government took in July 1967 was, of ourse, subject to developments in the Community in the meantime. Fisheries policy nay prove to be one such development. In the field of Community budgetary arrange- nents, recent developments have made the problems facing our membership more ifficult. As you know, our predecessors had looked forward to Britain's taking part s a full member in the negotiation of the financial arrangements for the period after ne end of 1969. Had we done so, the resulting agreement would no doubt have made air provision for us as it has for each of the existing members of the Communities ut we were not party to your agreement. And the arrangements which must in any ase be agreed to enable a new member to take part in the budgetary provisions of the uropean Communities will constitute one of the crucial elements in the negotiation n which we are embarking. When the European Commission gave its opinion on our andidature in September 1967, it was recognised that the existing financial arrange- nents would, if applied to Britain, 'give rise to a problem of balance in sharing of nancial burdens'. I think it will be generally agreed that the new decisions have for us nade that problem of balance more severe And so we have to work together to find solution to this basic problem which will be fair and sound for the enlarged Com- nunity and for all its members If I appear to labour this point, it is only because, nless such a solution is found, the burden on the United Kingdom could not be ustained and no British Government could contemplate joining Moreover, without uch a solution, the whole basis of stability and confidence, essential to the further evelopment of the Communities, would be lacking

he Future of the Community

A few weeks ago Mr Heath spoke about the future development of the com- unities. He said that we shared your determination to go on from what has already een achieved into new spheres of co-operation beginning with economic and monetary atters, but at the same time laying the foundations for a new method of working gether in foreign policy and defence In all these problems, he added, we should seek achieve solutions which are Community solutions We welcome the moves which ou have already made towards closer economic and monetary integration, and are ady to play our full part. And there are other aspects of policy where we shall likewise elcome further progress—in industrial policy, in regional policy, and, of course, in the ld of technology where we are already working together, but where so much more uld be done once the Communities had been enlarged.

I have said enough today to show you that the new British Government is deter- ined to work with you in building a Europe which has a coherent character of its own. the Communities are to develop, and if we are to find Community solutions to our mmon problems, we shall need the machinery to take the decisions. That means aring in the continued development of effective institutions—effective to do those ings which our joint experience shows to be necessary and advantageous to all. That s always been our practical approach to institutional change. What matters—to you

and to us—is that our objectives are the same, and we, no less than you, will want the institutions to match those objectives.

I have said that we accept the treaties and their objectives. But it is not simply a question for us of accepting what you have done Like you we look to the future. As the Commission recognised in its Opinion of last October, the accession of additional countries will be of great value for the Communities both in their internal development and in the exercise of increased responsibilities in the world.

The Negotiations

I have referred to the main points which we wish to see covered in negotiations. We hope the negotiations can be kept short and confined to essentials I am told that the problems which you have been discussing for the last six months in preparation for these negotiations are very much the same as ours So these are common problems for us and for you how to enable an enlarged Community to function most effectively for the advantage of all Our wish is to look together in the spirit of the Community for solutions which, in the words of the Commission's Opinion of 1969, will ensure the cohesion and the dynamism which will be indispensable in an enlarged Community.

After many years we now have the opportunity to realise together a Europe which has a coherent character of its own We have the same defence interest; our political interests are growing every day progressively closer As we develop new policies together we shall, as I have said find it natural to develop the institutional machinery which we shall need to execute those policies If we can together succeed in the negotiations now begun, then, as Sir Winston Churchill said, there will be no limit to the happiness, to the prosperity and glory which Europe's people will enjoy So let none of us spare any effort in these negotiations Inspired by goodwill and united by so many aims and hopes and interests, this time we can succeed.

BRITISH AND COMMUNITY MINISTERS CONFER

On 21st July Ministers from Britain and the Community met in Brussels to discuss the further conduct of the negotiations. At the meeting, Mr. Barber elaborated on several points contained in the British position which had been set out at Luxembourg on 21st July and proposed that a small number of working groups should be set up in order to establish the facts involved in the various issues for negotiation He pointed out that Britain and the Community were already in agreement on the acceptance of many of the Community's rules and practices, and the number of problems which would require negotiation was small; Mr. Barber also gave the Community assurances with regard to Britain's willingness to adopt the Common Agricultural Policy.

Speaking later at a press conference, Mr. Barber described the meeting as 'on the whole very satisfactory'. Referring to the proposal which the Community had presented at the meeting, he said that he was glad to find that it covered all the areas which he had himself proposed with the single exception of Euratom, which would be considered later. The facts in the selected areas would be examined jointly by representatives from Britain and the Commission; the subjects included agricultural finance, the consequences of the adoption of the Common Agricultural Policy, the problem of New Zealand and dairy products, Commonwealth sugar producers, the common external tariff, the European Coal and Steel Community Treaty, various technical matters concerned with the law and regulations, and the question of translation.

Before returning to Britain, Mr. Barber met Commonwealth and EFTA representatives and the Ambassador of the Irish Republic. Discussions were also held on 22nd July between the permanent representatives of the member nations of the Community and Sir Con O'Neill, who will lead the British negotiating team when it holds deputy-level meetings with the Community; these meetings are expected to start on a regular basis in September. Later, on 23rd July, Mr. Barber reported on the Brussels meeting to the House of Commons.

The Foreign and Commonwealth Secretary, Sir Alec Douglas-Home, had earlier visited Paris on 16th July for talks with the French Foreign Minister, M. Schuman. Reports indicated that there was broad agreement between the two Ministers and the wish was expressed that such meetings should be arranged more frequently. Subjects covered in the discussions included Britain's applica-ion, Anglo-French nuclear co-operation, the situation in the Middle and Far East, and the possibility of further co-operation in solving the problems of the developing nations.

South-East Asia Treaty Organisation

FIFTEENTH ANNUAL MEETING

The fifteenth council meeting of the South-East Asia Treaty Organisation (SEATO) took place in Manila, capital of the Republic of the Philippines, on 2nd and 3rd July, under the chairmanship of General Carlos P Romulo, Philippines Secretary of Foreign Affairs. All member governments except France participated (i.e Australia, Britain, New Zealand, Pakistan the Philippines, Thailand and the United States), and the Republic of Vietnam, which is a protocol state under the terms of the 1954 Manila Treaty setting up the organisa-tion, was represented by an observer. The British delegation was led by Mr Anthony Royle, Parliamentary Under-Secretary of State, Foreign and Common-wealth Office

As on a number of previous occasions, the Pakistan delegate wished it to be recorded that he did not participate in the drafting of the final communique.

In the course of the meeting the council accepted an invitation from the British Government to hold the sixteenth council in London in 1971

British Policy

At the public opening session on 2nd July, Mr. Royle made a short speech outlining British policy towards South-East Asia. It was the British Govern-ment's intention, he said, 'to consult as soon as possible with our Common-wealth partners about our proposal to maintain a military presence in the Malaysia-Singapore area after 1971 as part of a Commonwealth force, so long as this is in accordance with the wishes of our friends in the area. We believe that this will provide tangible evidence of our interest and thereby contribute to the stability and security of the area. As you will understand I am unable at this early stage in the life of the new Government to make any detailed statement of what we shall do, but we will of course keep our SEATO allies informed of what we and our Commonwealth partners decide.'

Britain, he went on, would continue to provide economic aid to SEATO, by assisting in specialist studies and by contributing skilled and experienced staff to the organisation itself'. The new British Government welcomed the increasing scope of regional co-operation in many fields which had taken place during the past year.

Mr. Royle referred to the widening of the conflict in Indo-China brought about by the extension of the war to Cambodia, so that fighting was now taking place in all three countries. 'The British Government', he said, 'intends to play a full part in any measures and efforts constructively designed to bring about a peaceful settlement. The Secretary of State and I were therefore very glad to talk recently in London to the emissaries of the Djakarta conference Powers [see 5.6.70 p. 544] and to assure them of our support. . . . We will search indefatigably for possible opportunities to bring the parties together in order to try to work out a peaceful solution. . . . I am here to make it clear to all our friends that we are determined, as a member of SEATO, to make a solid contribution to these ends.'

Communiqué

The communiqué issued at the close of the meeting reviewed developments in the treaty area as a whole, and in the countries individually, since the last council meeting in May 1969 [see 4.7.69 pp. 575-7], and restated the council's policies. It contained a welcome for the British Government's proposal to maintain a military presence in the Malaysia-Singapore area subject to the wishes of the countries concerned.

The council noted that encouraging economic and social progress had continued in the treaty area and agreed that this was facilitated by 'the growing spirit of regional co-operation' among the nations of the area. It believed that much of this advance would not have been possible 'without the shield which the Manila Treaty has helped to provide since 1954', and expressed its resolve to 'maintain the SEATO deterrent' so that this advance could continue.

Among significant developments that had taken place, the council noted 'the rapidly growing strength and self-reliance of the Republic of Vietnam, the unusually sharp dry season offensive of North Vietnam against Laos, the recently increased aggression against Cambodia by North Vietnam and the Vietcong, and the many efforts by states of South-East Asia and by others to bring about negotiations for a political solution to the problems of Indo-China'. [For an outline of recent events in Indo-China see 5.6.70 pp. 538-49.] The council expressed support for the co-operative efforts of states in the area to meet the threat of forms of aggression other than overt military aggression—subversion, externally instigated insurgency, infiltration and terrorism—and noted the steps taken to develop at SEATO headquarters an office for counter-subversion and counter-insurgency, better able to assist member governments with advice in this field.

Reviewing efforts made during the year to bring about consultations and negotiations aimed at a peaceful solution of the Indo-China conflicts, the council expressed concern that North Vietnam had 'not responded constructively to any of these initiatives' and expressed the hope that this attitude would change. It noted that negotiations could be undertaken either through a general conference on Indo-China as a whole or through separate negotiations such as those in Paris on Vietnam.

After commenting on the continuing progress being made by the armed forces of the Republic of Vietnam in improving their capability to counter armed aggression and subversive activity and welcoming the efforts of the Vietnam Government to assume responsibility for the defence of its territory, the communiqué noted that North Vietnam's military aggression against South Vietnam was continuing and had recently been marked by a new wave of terrorism, murder of civilians and efforts to disrupt the pacification programme. 'The council noted with regret that this aggression is sustained by a heavy flow of weapons and supplies from other Communist regimes.'

On Laos, the communiqué stated that the council viewed as particularly serious the recent heavy attacks against Laos by North Vietnam and the latter's

refusal so far to co-operate in consultations to which it is committed under the 1962 Geneva Agreements. ' The council reiterated its call for full implementation by all signatories of the 1962 Geneva Agreements on Laos and expressed support for the efforts of the Royal Lao Government to secure peace and to preserve the sovereignty, independence, neutrality, unity and territorial integrity of Laos.'

Special attention, the communiqué said, had been given in the council's discussions to Cambodia, in view of the magnitude of the changes that had taken place there since the previous meeting. The council affirmed its support of ' the sovereignty, independence, neutrality and territorial integrity of Cambodia within its present borders ', and declared that it would ' honour and respect the Cambodian Government's desire to remain neutral '. It concluded that ' the recent operations against Vietnamese Communist military facilities in eastern Cambodia had been successful in relieving military pressures against the Republic of Vietnam and would contribute to the realisation of the troop replacement programme in Vietnam '. The council condemned North Vietnamese military attacks against Cambodia and expressed understanding of Cambodia's appeal for help in resisting North Vietnam's attempt to dominate it. But, while noting that Cambodia had no choice but to resist the use of force with force, the council agreed that the cause of peace in South-East Asia ' could best be furthered by encouraging a political solution based on Cambodia's desire to maintain its sovereignty and neutrality '; and ' applauded the efforts of many nations to bring about a diplomatic solution and withdrawal of all foreign troops '. Council members expressed their readiness to lend all possible assistance to diplomatic efforts to achieve an international solution

The continuing efforts of the Government of the Philippines to combat Communist subversion were noted ' with satisfaction ', and the Royal Thai Government's continued contribution towards the defence of the Republic of Vietnam and its friendly co-operation with Cambodia ' with appreciation ', while both Governments were commended for the success of their economic and social development programmes.

Multi-Role Combat Aircraft

BILATERAL AGREEMENT

Agreement has been reached between the Governments of Britain and the Federal Republic of Germany on a £250 million development programme to construct seven prototypes of the supersonic Multi-Role Combat Aircraft, the first of which is expected to fly in about three and a half years time. Announcing this in the House of Commons on 22nd July (*Hansard*, col. 555), the Minister of State, Ministry of Defence, Lord Balniel, said that a comprehensive review of the project would be made after one year's work in the light of more refined assessments of cost, timescale and performance which would then be available.

The Minister reminded the House that the results of the aircraft's project definition phase—launched in 1969 after a tripartite agreement in which Italy also participated [see 23.5.69 pp. 463-4]—and subsequent discussions between the partners, had confirmed the feasibility of developing a twin-seat, multi-role, variable-geometry aircraft to meet the requirements of all three countries. On assuming office, the Government had reviewed the project, concluding that it offered the most effective and economical method of providing the Royal Air Force with replacement aircraft in the strike, reconnaissance and air defence roles in the later 1970s and the 1980s. The value of a technically and industrially important European collaborative project was also recognised.

Present circumstances, the Minister continued, prevented the Italian Government from subscribing immediately to the next phase. Should Italy decide not to participate (a final decision is expected within the next few weeks), Britain and the Federal Republic of Germany would proceed bilaterally, sharing equally the estimated development cost of £250 million. On the assumption that Italy decides to continue, the total requirements of the aircraft for all three countries would be about 900, of which between 350 and 400 would be for the Royal Air Force; in this case, the costs of the total programme would be shared *according to the relative numbers of aircraft taken by each country.*

Britain's share of the aircraft's cost includes the airframe—with the British Aircraft Corporation manufacturing the nose, rear fuselage, tailplane and rudder—and the development of its Rolls-Royce *RB-199* power unit.

Britain's Invisible Exports

In the annual report for 1969-70[1] of the Committee on Invisible Exports (CIE)• Mr. Cyril Kleinwort, chairman, predicts that net earnings of the private sector from the provision of financial and other services will continue at a high level and draws attention to the contribution which net invisible earnings have made to the turn-round in Britain's balance of payments Net invisible earnings[2] recorded a surplus of more than £1,300 million in 1969, an increase of some 50 per cent in two years This remarkable increase, states Mr Kleinwort, was due partly to devaluation and other special factors and it would be rash to expect anything approaching this rate of growth in the future.

In 1969 Britain's gross invisible earnings,[2] including investment income and private transfers, rose by 12 per cent to some £4,000 million World trade in invisibles has been growing appreciably faster than world trade in goods. In 1967, the latest year for which comparisons are available, Britain's share of the invisibles market was 12 7 per cent; at nearly $8,600 million it came second only to that of the United States, whose trade in invisibles exceeded $15,000 million

Against this background of success the committee has pressed for greater recognition to be granted to Britain's exporters of services and has therefore welcomed the recent recommendation of the review committee, set up by the Prime Minister in November 1969, that the Queen's Award to Industry be extended to include outstanding achievements in the field of invisible earnings from the provision of services to non-residents.

Mr. Kleinwort notes that the City is at present the principal international financial centre in Europe; that with Britain's membership of the European Community it could become the financial capital of a more united Europe, and that further expansion of business in the field of invisibles would benefit both Britain and her future partners in the Common Market. The CIE has accordingly put in hand a study to examine how Britain's invisible earnings might be affected in both the short and the long term by EEC membership.

Revised information for 1968 and latest estimates for 1969 concerning the magnitude of transactions in invisibles in relation to Britain's overall balance of payments position are set out in Table 1.

Provisional estimates show an increase of £226 million in the invisibles balance, from £346 million in 1968 to £572 million in 1969. This balance represents the net position in respect of services, transfers, interest, profits and dividends in the public and private sectors. The improvement in net invisible earnings in 1969 was mainly the consequence of a massive increase in the net receipts of interest profits and dividends.

It can be seen from Table 2 that the yields on direct and other investment including oil in 1969 were the most important factors leading to the very large rise in net receipts from interest, profits and dividends. There was a large increase in the net receipts of UK oil companies in 1969 and direct investment earnings

[1] Available from the committee's headquarters at 23 Fenchurch Street, London EC3.

[2] Private sector earnings.

TABLE 1

BRITAIN'S BALANCE OF PAYMENTS POSITION *£ million*

	1968	1969
Current account		
Exports (f.o.b.)	6,273	7,056
Imports (f.o.b.)	6,807	7,152
Visible balance	643*	−157*
Invisibles:		
Government services and transfers (net)	−462	−459
Private services and transfers (net)	+486	+531
Interest, profits and dividends (net):		
Private sector	+557	+830
Public sector	−235	−330
Invisibles balance	+346	+572
Current balance	297	415
Balance of long-term capital	99	− 17
Balance of current and long-term capital transactions	−396	+398
Balancing item	−125	+219
Balance of monetary movements	+521	−617

* Including payments for US military aircraft and missiles. Source: *Economic Trends*, June 1970.

TABLE 2

UK INTEREST, PROFITS AND DIVIDENDS *£ million*

	1968	1969
Credits		
Direct investment*	569	629
Portfolio investment	164	159
Other (including oil)	364	541
Total	1,097	1,329
Debits		
Direct investment*	330	292
Portfolio investment	104	115
Other (including oil)	341	422
Total	775	829
Net		
Direct investment	+239	+337
Portfolio investment	+ 60	+ 44
Other (including oil)	+ 23	+119
Total	+322	+500

Source: *Economic Trends*, June 1970.

* Data derived from Board of Trade inquiry into overseas direct investment.

excluding oil rose by 10 per cent following the abnormally large increase of nearly 30 per cent in 1968 after devaluation. Debits in respect of earnings on foreign direct investment in Britain in 1969 of £292 million were below the 1968 level. Net receipts of interest, profits and dividends in total improved by £178 million between 1968 and 1969.

Gross earnings from services provided by UK private business and public corporations increased by 8 per cent to £2,568 million in 1969; private service debits rose by a similar percentage to £1,950 million. Travel credits increased by a record 26 per cent and visitors to Britain from the United States and from Japan predominated in the increase of one-fifth in the total number of overseas visitors in 1969. Travel debits on the other hand rose by 21 per cent, with the result that the net position improved from £11 million in 1968 to £26 million in 1969

There was a substantial increase in the net surplus earned by British airlines in 1969 and the volume of traffic was about one-fifth higher than in 1968, which had been seriously affected by the BOAC pilots' strike in the middle of the year. Although the shipping account remained in surplus in 1969, the increase in net earnings of British dry cargo shipping associated with rising UK exports was

TABLE 3

EARNINGS AND INVESTMENT INCOME IN THE PRIVATE SECTOR
(excluding private transfers) £ million

	1968	1969
Earnings		
Shipping	955	931
Civil aviation	235	285
Travel	282	355
Interest, profits and dividends (private sector)	1,059	1,288
Other services	895	997
Total	3,426	3,856
Payments		
Shipping	895	898
Civil aviation	206	242
Travel	271	329
Interest, profits and dividends (private sector)	502	458
Other services	431	481
Total	2,305	2,408
Net		
Shipping	+60	+33
Civil aviation	+29	+43
Travel	+11	+26
Interest, profits and dividends (private sector)	+557	+830
Other services	+464	+516
Total	+1,121	+1,448

Source: *Economic Trends*, June 1970.

offset by weakness in tanker freight rates which fell back in 1969 from the high level which had prevailed in the previous year.

Earnings from financial services in 1969 were buoyant largely as a result of growth in overseas insurance earnings.

Table 3 sets out the revised 1968 and the new 1969 levels of earnings and investment income in the private sector.

[For further information see COI Reference Pamphlet *Britain's Invisible Exports*, RF P 5852/69.]

Export Credits Guarantee Department

REPORT FOR 1969-70

The Export Credits Guarantee Department (ECGD), a government department which provides insurance for exporters against the main risks in selling overseas and guarantees to banks providing finance for export credit [see 10.4.70 pp. 372-4], increased its turnover by 11 per cent in the financial year 1969-70, according to a report for the year[1] issued by the secretary, Sir Anthony Percival. Turnover in the last quarter of the year, the report states, was a record of £728 million, during the year the number of policies current rose from 12,403 to 13,009 but the percentage of total British exports insured by the ECGD fell one point to 33 per cent.

Trading Results and Business Covered

During the year the value of new business covered under 'commercial' account [see 10.4.70 p. 373] increased from £2,202 million to £2,469 million and premium payments on this business rose from £10.6 million to £16·1 million. Premium payments on 'national interest' business rose steeply from £5.4 million to £9.4 million, although the value of the new business covered by this account remained at its previous level of £227 million. The total surplus on the two accounts amounted to £22.6 million, a rise of £9·2 million over the previous year.

Guarantees to Banks

Bank finance to exporters covered by ECGD guarantees increased by 31 per cent to £518 million. Advances covered by ECGD financial guarantees and buyer credit guarantees rose in the same period by nearly 40 per cent to £211 million, so that the total amount of bank advances covered by the ECGD was £729 million compared with £545 million in 1968-69. Over half the total (£376 million) was in the form of finance at Bank rate for credits of less than two years; the remainder was finance at 5½ per cent on longer-term credits.

Market Cover and Premium Rates

During the year, the report states, the ECGD was able to ease the restrictions on the cover available for a number of markets, notably Indonesia, Sierra Leone and Nigeria. Premium rates for business with Brazil, Cuba and the Congo (Kinshasa) were reduced and an agreement with the United Arab Republic

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[1] *ECGD in the Financial Year 1969-70*, available from the ECGD at Aldermanbury House, Aldermanbury, London EC2.

(UAR), designed to reduce the amount of claims payments by the ECGD resulting from delays in payment by the UAR, became operative in June 1969.

Lines of Credit

During 1969-70, nine lines of credit were guaranteed for a total loan value of £52 million for countries in South America, North Africa and Eastern Europe The establishment of lines of creoit in advance of negotiations between the overseas purchaser and possible British suppliers enables the British firms to negotiate their trade terms with the knowledge that credit arrangements are already settled and offers the buyer an assurance of credit on normal terms and the freedom to negotiate with any British supplier. This facility allows the buyer to assemble a large project or buying programme from numerous small contracts without prejudicing the credit terms of the project as a whole

The Patent System and Patent Law

REPORT OF THE COMMITTEE OF INQUIRY

The report of the Committee to Examine the Patent System and Patent Law was published on 14th July (*The British Patent System*, Cmnd 4407, HMSO, 23s) It had been submitted to the President of the Board of Trade on 12th May

Background

The committee notes that the report has been written against a background of world-wide growth of patenting, changes in national systems and unprecedented international co-operation. When constituted by the President of the Board of Trade in May 1967 [see 26.5.67 p. 553] under the chairmanship of Mr M. A I Banks, non-executive chairman of Cammell Laird and a former deputy chairman of British Petroleum, the committee was to make recommendations in the light of increasing need for international co-operation in patent matters and of Britain's intention to ratify the Council of Europe Strasbourg Convention of 1963 [see 7.1.66 p. 52] concerned with harmonising national patent laws Its original terms of reference were, however, expanded later so that it could make the first thorough review of the whole British patent system since the Swan Committee reports (Cmnd. 6618, 6789 and 7206) which had formed the basis of the present British Patents Act of 1949

The committee, which had stronger industrial representation than its predecessors, drew evidence from a great many individuals and organisations, including the Confederation of British Industry, the Trades Union Congress trade and professional associations and individual firms.

Value of Patents

Patents, which give a patentee a temporary monopoly of an invention and thus increases his chances of recovering costs and making a profit, are recognised in all industrial countries as a useful basis for negotiations between companies concerned with innovations. The committee subscribes to the conclusion of the Swan Committee that the patent system is justified by industrial development and no alternative system for the encouragement and growth of new industry by private enterprise has been established.

World-wide Growth

Patenting activity is increasing steadily in all industrial countries, partly because of the faster pace of technological advance and partly because, as a result of increasing international operations, firms tend to take out patents in all their major overseas markets.

The British Patent Office, though less overloaded than some, has to examine some 50,000 specifications a year - well over half of these from overseas -and the number has been rising.

International Collaboration

Existing international agreements on patents include the International Convention for the Protection of Industrial Property (Paris Convention) signed in 1883 and revised several times since, parties to which now include Britain and most countries, and the European Convention relating to formalities required for patent applications, signed in 1953 and ratified by Britain in 1955. The former lays down certain principles to which member countries must conform -for example, equal and reciprocal treatment in patent matters for nationals of other member countries. The purpose of the latter is to make the formal requirements, such as documents required, uniform among signatory countries. Some revisions are now under consideration in the Council of Europe.

The problem of searching-- to insure that a device is really new and a genuine invention has been one of the most difficult facing patent offices and there have been some bilateral and three multilateral projects for collaboration in this matter. The *Institut International des Brevets* (IIB), founded under diplomatic agreement in 1947, provides an information retrieval service. Britain became a member in 1965. The Council of Europe Convention on the International Classification of Patents for Invention (IPC), concluded in 1954 and ratified by Britain in 1955, introduced a single classification system of international symbols for inventions. International Co-operation on Information Retrieval between Patent Offices (ICIREPAT), established in 1964, is a Paris Union Committee (i.e. consisting of those countries adhering to the International or Paris Convention, see above) concerned with information retrieval and has among its objectives the production of so-called 'shared-use systems,' in each of which an internationally agreed indexing term-list is used.

The Council of Europe Convention (the Strasbourg Convention), which contains an agreement on the basic requirements of patentability, was signed in 1963 by 11 countries (including Britain) but has, so far, been ratified only by the Republic of Ireland. The main provisions are concerned with the establishment of common standards on patentable inventions, on novelty and on 'inventive step' and with the question of conflict between concurrent applications. Britain intends to ratify the convention when the necessary changes in UK law have been made (see pp. 708-9).

The formation of the European Economic Community (EEC) gave a great impetus to the establishment of an 'international' patent, and a draft Convention on European Law was published by EEC countries in 1962, incorporating the same basic requirements as the Strasbourg Convention of 1963. A revised draft was published in March 1970 and provides, among other things, for a European Patent Office.

A Patent Co-operation Treaty, drafted by the Bureau for the Protection of Intellectual Property (BIRPI) which is the secretariat of the International Convention (see above), was 'still the subject of discussion' when the report was submitted, but was in fact signed in June 1970 in Washington. It has two principal aims: to simplify and cheapen the initial stages of processing for applicants who desire patent protection in several countries and to reduce the work load of examining Patent Offices by sharing the work of search and, possibly, examination among the countries.

The British Patent System

The British system for the protection of inventions has a long history. It started to emerge as a matter of importance in Tudor times and developed slowly. Although the Industrial Revolution resulted in several Patents Acts in the early nineteenth century, the system is generally considered to have taken its present form from the Patents Designs and Trade Marks Act of 1883. Since then the British patent system has been subject to a number of investigations by departmental committees of inquiry and there have been a number of Patents Acts dealing both with the British patent system and with its relations with patent systems of other countries.

The Report's Main Recommendations

The Banks Committee recognised that international initiatives will tend to reduce the pressure of work on the British Patent Office, but that they will take time to become effective. For example, it will probably be five years before the Patent Co-operation Treaty is fully operational, and industry is unlikely to make full use of the scheme for several years after that. The time-scale for the European Patent Convention is, if anything, longer, since discussions are at an earlier stage Hence the committee recommends that changes should be made and adequate resources provided for the British patent system if it is to continue to work adequately. These changes are also designed to put Britain in a good position to take maximum advantage of international agreements

The committee's main recommendations are:

Early Publication: At present no patent specification is published until it has been accepted by the Patent Office. This delay may be up to four years causing other people to waste time and money. The committee recommends that all specifications should be published 18 months after the priority date claimed by the applicant. The time from the priority date to the Patent Office's granting (or refusing) a patent should be set at a maximum of three and a half years.

Stronger Patents: The committee recommends stricter search and examination of applications so that patents granted are stronger, with more value to the inventor as a means of protection or basis of negotiation. The Patent Office should search all specifications and publish the results of its search on the date of early publication of the specification.

Selective Examination: Search should be separate from examination and all specifications should be searched. Examination should be on request and a separate fee should be charged for this—payable within a year of publication of the search report. This fee should be high enough to encourage applicants to consider seriously whether they do in fact want to proceed.

Twenty-year Patents: The present 16-year life of a patent was set in 1919. Inventions now take longer and cost more to develop. The committee recommends that the life should be extended to 20 years, which is in line with international trends.

Legal Procedures: There are also proposals designed to speed up settlement of patent disputes and cut legal costs. These include setting up a Patents Court to hear both patent actions and appeals from decisions of the Comptroller of the Patent Office. A third specialist High Court Judge should be assigned to hear patent actions.

Among other questions considered are:

Patent Office: The committee recommends provision, as a matter of urgency, of a new building for the Patent Office—preferably next to the site to be chosen for the National Reference Library of Science and Invention—and some immediate improvement of accommodation for the office. Extra staff will be needed to conduct searches.

Patent Fees: Fees in the British Patent Office are low compared with those in most other countries and patent renewal fees contribute substantially towards the cost of examining and searching specifications. The committee recommends keeping the £1 fee for filing a provisional application. Other fees payable before a patent is granted should be more realistic and contribute more to Patent Office costs

Pharmaceuticals: Under existing legislation it is much easier to get a licence enabling manufacture of patented food, drugs and curative devices than it is for any other type of product. The committee considers that this special position is a disincentive to research and should be abolished. The position of the National Health Service has adequate separate safeguards.

Employees' Inventions. The legal position is roughly that the invention belongs to the employer if it was made as part of the employee's duties but to the employee if it was not This appears to the committee to be equitable. The committee considers that the best way of providing further encouragement for inventions within industry would be the establishment of more voluntary award schemes of the kind already in operation in many firms.

Industrial 'Know-how' Patents are not an appropriate form of protection for industrial 'know-how' Introduction of a special registration scheme would be undesirable.

Computer Programmes. The committee considers these should not be patentable, but the situation is changing rapidly and should be kept under review.

Conclusion

As part of its investigations the Banks Committee contacted a small sample of firms to discover what use they were making of patents. The survey was not intended to produce precise statistics, but it showed most patenting activity to be in the chemicals industry, and also a noticeable growth in all the industrial groups. The survey suggested that altogether about 30 per cent of patented inventions were in commercial use- more than generally thought. It also emerged that, as a rough average, firms seemed to spend about 2 per cent of their research and development expenditure on patenting.

The Banks Committee recommendations amount to a major recasting of the British patents system Implementation of most of them would require legislation. In thanking Mr. Banks and members of the committee, the President of the Board of Trade has said that he would state the Government's view when he had had an opportunity to consider the recommendations and any comments received on the report

Building Societies

REVIEW OF ACTIVITIES IN THE 1960s

An account of the business done by building societies in 1969 and a brief review of their activities during the 1960s are given in the *Report of the Chief Registrar of Friendly Societies for the Year 1969. Part 2, Building Societies* (HMSO, 8s), published on 8th July.

Fewer Societies but Increased Business

Whereas at the end of 1959 there were 732 building societies, the number had fallen to 504 by the end of 1969, and to below 500 by the end of March 1970. The reduction in numbers has been mainly among the societies with assets of

less than £1 million, but some medium and larger societies have merged to broaden the base of their activities and improve the spread and quality of service while avoiding unnecessary duplication of branch offices.

In contrast, the total assets of societies and the amount of business undertaken have grown substantially. Aggregate assets rose from £2,900 million at the end of 1959 to £9,300 million at the end of 1969, when the assets of the two largest societies together exceeded the 1959 total for all societies.

In 1959 receipts on share and deposit accounts amounted to £600 million, £400 million was withdrawn and £500 million was advanced in mortgages. The corresponding figures during 1969 were £2,400 million, £1,700 million and £1,560 million. Over the ten years, building societies dealt with receipts and withdrawals totalling £22,600 million and made 4·9 million advances amounting to £10,500 million. During the period the total reserves of societies increased from £125 million to £340 million but the ratio of reserves to assets fell from 4 29 per cent to 3·67 per cent.

The rates of interest paid to investors and charged to borrowers are conditioned by the general levels of interest rates In the last six years these levels generally moved upwards and at the end of 1969 the rate recommended by the Building Societies Association for mortgages on new houses was 8½ per cent, compared with 5½ per cent at the beginning of 1960. Interest rates to investors climbed from 3¼ per cent to 5 per cent, with income tax paid by the society The preference for home ownership continues and rising house prices have led to a demand for larger advances. Whereas in 1959 advances in excess of £3,000 accounted for less than 3 per cent of the total number of advances and the average advance was £1,400, in 1969 over 50 per cent of new advances were for sums more than £3,000 and the average advance was £2,875 The total number of borrowers from building societies has increased by 54 per cent from 2 2 million to 3·5 million but the amount outstanding on mortgage has risen by 220 per cent from £2,400 million to £7,700 million

New Methods of Finance

During 1969 societies extended their investment services to include two new methods of raising funds. Societies have been authorised to participate in SAYE (Save As You Earn), the contractual savings scheme introduced under the Finance Act 1969, and schemes have been introduced linking contributions for life insurance with investment in a building society

British Railways

ANNUAL REPORT FOR 1969

The annual report and accounts of the British Railways Board for 1969 were published on 9th July (HMSO, 15s).

The board earned a working surplus for the year of £56 million, falling to £15 million after payment of interest. In the previous year there was a deficit of £147 million, but direct comparison is not possible due to the remodelling of the financial framework which has taken place under the Transport Act 1968. The board's capital debt was written down to £365 million, deficit financing by the Government came to an end, and grants were made available to support services needed on social grounds which would otherwise have been closed as uneconomic.

Rapid progress was made in 1969 with the fast Inter-City passenger services. Freight business also improved. Meanwhile, work has continued on prospective improvements in speed, comfort and quality of service generally.

Financial Results

The board's operating profit for 1969 amounted to £56·2 million. Net profit, following £41·5 million payment of interest on capital, was £14·7 million, which was transferred to reserves. Railways alone made an operating profit of £47·4 million, other activities being responsible for £8·2 million and other income for £0·6 million. Gross income from railways was £532·7 million, set against expenditure of £491·7 million.

In accordance with the Transport Act 1968, £61 million was paid to the board towards the grant-aided passenger services, and £15 million was paid in surplus track grants (designed to assist the board temporarily while surplus track is eliminated); further improvements were due to the transfer of the board's Sundries Division and its freightliners to the National Freight Corporation (£18 million) and to capital reconstruction (£26 million in reduction of interest and £28 million in depreciation and other charges) altogether an improvement of £148 million.

The remaining improvement in the accounts was due to a £14 million improvement in railway working results, following a £31 million increase in receipts (excluding grants) £20 million of which was in passenger receipts – offset by a £17 million rise in expenditure. The rise in expenditure was accounted for by wage and other cost rises, offset to some extent by a cut of some 15,000 in staff numbers, and a continuing reduction in rolling stock.

Capital expenditure during the year amounted to £68·5 million, of which over £18 million was spent on railway rolling stock and related items and nearly £12 million on railway buildings and structures, over £3 million was spent on ships, £2 million on workshops and over £1 million on hotels.

Passenger Traffic

Earnings on passenger traffic reached a new record level in 1969; including £61 million in grants (see above), total passenger revenue was nearly £267 million or 51 per cent of total railway revenue. A modest overall increase in traffic has replaced the steady fall of recent years, sharper increases took place in certain popular services. Development was greatest in the Inter-City services, where there was a 4 per cent increase in passenger journeys and, following changes in both fares and travel patterns, a rise in revenue of 12 per cent. Business on the London Midland Region's electrified services, opened in 1966, continued to expand rapidly, with revenue 11 per cent higher than in 1968. The sleeper services and Motorail (special services for car drivers and their vehicles, mainly on holiday routes) also carried greater numbers of passengers. At 50 Inter-City stations a self-drive car-hire service has been introduced in association with a car-hire firm.

Freight Traffic

Total freight traffic, excluding parcels, fell slightly to 201 million tons during 1969, but gross receipts for freight-train traffic increased by £7 million to £195 million. Selective pricing helped to maintain revenue. Particular attention has been paid to wagonload services, carrying mainly coal, other minerals and raw materials, and iron and steel. Most of this traffic originates at rail-connected installations – at collieries, ports, and so on – and passes to rail-connected customers. The board has been helped by the increasing concentration of the activities of certain customers, notably the National Coal Board; the railways' share of coal traffic has risen, 119 million tons being carried in 1969 out of a total production of 151 million tons. The board carried 39 million tons of steel and 16 million tons of petroleum products, and further progress was made with the movement of car components, bodies and complete vehicles.

The express container freight or freightliner business is now run by Freightliners Ltd., owned jointly by the National Freight Corporation and the board [see 8.11.68 p. 1057]. Business increased by 40 per cent during the year, and 4·9 million train miles were run, as against 4·1 million in 1968. The business has not yet developed to the state of being able to break even, and a loss of about £2 million was expected for 1969, 49 per cent of which was to be borne by the board, in relation to its holding.

Other Activities

In addition to its railway business, the board is responsible for a number of ships and harbours, workshops, hotels and catering, and hovercraft. Net receipts from the ships and harbour business rose by £0·1 million to £4·8 million in 1969. Two new ships were introduced. The container services operating from Harwich carried 80,000 containers, and preparations were made for extending container facilities at the port. Car ferry services to Ireland were being expanded, new terminals were under construction at Heysham and Belfast.

British Rail Hovercraft Ltd. held its position as the world's largest commercial hovercraft operator, carrying over 540,000 passengers and nearly 18,000 cars during the year. Cross-Channel services between Dover and Boulogne were carried on over most of the year.

Turnover of the hotel business rose by £1·3 million to £13·3 million. Earnings of foreign currency rose by £0·1 million to £1·6 million. Receipts from catering also improved.

The railway workshops have been run by a new company, British Rail Engineering Ltd., from 1st January 1970. It employs over 37,000 people and will have an annual turnover of about £100 million. Under the 1968 Transport Act, the company is permitted to manufacture for undertakings outside the public sector, and some work of this type has already been carried out, though the main activities continue to be repair and construction of rolling stock and other equipment for the railways.

The United Kingdom Railway Advisory Service (UKRAS) was closed down in March 1969, but UKRAS Consultants Ltd., the company set up by UKRAS to undertake consultancy work overseas, has continued to operate. Staff continued to be seconded to UKRAS Consultants during the year in connection with railway electrification in Pakistan. Visitors have continued to come to British Railways from overseas, about 85 delegations being received in 1969.

Research and Development

Good progress was made at the Derby technical centre on the Advanced Passenger Train (APT) project, which is expected to facilitate speeds of 125 m.p.h. and higher on existing track within the next few years. By mid-1971 an experimental train should be available for testing on a 14-mile stretch of test track now at an advanced stage of preparation. The APT has attracted considerable interest overseas, and during the year an agreement was made with the Budd Company of Philadelphia for its exploitation in the United States. Other major research projects concerned the continuous track-to-train control system, and study of track construction and maintenance.

Mechanisation of work on track continued, and by the end of the year covered practically the whole system. A rail flaw detector car, nearly completed, was expected to go into service shortly, automatically detecting hidden cracks and flaws in the rails and recording them on film for later scrutiny. A further 480 miles of continuous welded track were laid, bringing the total on major lines to about 4,300 miles. Centrally-controlled, multiple-aspect signalling was extended over a further 800 single track miles bringing the total up to 7,000 miles. The automatic warning system, giving audible warning to the driver of signals

ahead of him, was installed on a further 270 route miles, bringing
total to 3,157. Building of an advanced projects laboratory at Derby, to b
most highly developed of its type in Europe, was begun, and design
completed on other extensions to the technical centre.

Rationalisation of the diesel locomotive fleet continued, one type
eliminated, and design work continued on new types of diesel-electric
motives. Most Inter-City coaches built from 1970 onwards will be fully
conditioned, and more comfortable and efficient types have already
introduced on these services, incorporating electric heating in place of stea
dual steam-electric systems. Two prototype freight wagon bogies, suitab
run at 75 m.p.h. and with axle loads of up to 25 tons at lower speeds, were
and were to be tested and assessed.

In November 1969 the board's Industrial Design Department won a R
Society of Arts presidential award for design management.

Road Transport

NATIONAL BUS COMPANY

The first annual report and accounts of the National Bus Company, for
were published in July (HMSO, 7s 6d). The company, a state-owned b
was formed in November 1968 under the Transport Act 1968 and on 1st Jan
1969 took over the bus assets and shareholdings in England and Wales previ
held by the Transport Holding Company and also some bus interests form
belonging to the British Railways Board. At the end of 1969 the com
controlled 93 bus companies grouped into 44 operating units, running a
21,000 vehicles and employing some 81,000 staff, making it the biggest s
bus operator in the world.

Financial Results

The company earned £148.7 million in 1969, and made an operating sur
of £7 million, with other net income amounting to £0.5 million. Follo
deduction of interest of £4.8 million on a provisionally-fixed capital deb
£97.6 million and of taxation of £1.9 million, the revenue surplus amou
to £0.8 million. Capital expenditure during the year was £7.9 mil
In accordance with the provisions of the 1968 Transport Act, the Minist
Transport has asked the company to aim at an operating surplus of £8 mi
in both 1970 and 1971.

The company benefits by a partial rebate of fuel tax on all stage car
services (ordinary bus services making frequent stops), amounting to £7.2 mi
in 1969, leaving £8.1 million payable. Bus grants at the rate of 25 per cen
made on capital expenditure on buses of types approved by the Ministr
Transport, in practice most of those acquired, amounting to £2 million in 1
Unlike municipal operators the company is liable to corporation tax.

The company hopes to improve its financial position by increased effici
cost-cutting, and integration and rationalisation of its operations. How
its efforts are hampered by falling traffic, labour shortages and rising wage le
losses made by the Green Line and London country bus services which it
over from London Transport, and by its duty to finance loss-making rail rep
ment services. Many of the company's services are at present run at a
especially in rural areas. The company's charges are controlled by the T
Commission, except within Passenger Transport Areas, where they are fixe
the relevant Passenger Transport Authority.

Operations

The company is making strenuous efforts to improve its bus fleets. New buses ordered in 1969 will all be suitable for single manning, and the proportion of stage carriage mileage operated by such buses rose to over 25 per cent in that year, with resulting reductions in running costs. Increasing use is being made of single manned double-deck buses. Economics in financial and accounting staff have followed the greater use of automatic equipment. Electronic data processing, in particular, has improved cost analysis and made useful savings in clerical labour.

Efforts are being made to improve liaison between the company's subsidiaries and local planning authorities, and traffic flows have sometimes been speeded by such means as reserved lanes for buses in congested areas. At the new town at Runcorn, Cheshire, Crosville Motor Services is to operate rapid transit routes on specially-built reserved roads, elevated throughout the central area with escalator links to a regional bus station and quick access to the shopping centre. Longer-distance express coach services have been developed as more motorways are opened, sometimes run by consortia of the company's subsidiaries. A new urban bus system, 'Rapidway', was started in June 1969 to provide a door-to-door link for regular passengers between residential estates and an industrial estate in Wellingborough, Northants, a similar service has since been started in Stevenage, Hertfordshire.

Planning for South-East England

The development as major growth areas of a limited number of existing or planned urban settlements in south-east England and increased redevelopment and rehabilitation in London, particularly inner London, are among the recommendations of a report, *Strategic Plan for the South East* (HMSO, £2), prepared by the South-East Joint Planning Team and published on 30th June. The report also recommends the expansion of a number of medium-sized employment centres with potential for growth, the preservation of extensive areas of open country (including the retention of London's green belt) and a regional communications network—primarily based on existing proposals—to provide for traffic between the more important population centres within the south-east and between the south-east and the rest of Britain.

Background to the Report

The report is based on a study designed to prepare a strategic framework for the long-term development of the south-east region. The study was commissioned in May 1968 by the Government, the Standing Conference on London and South-East Regional Planning (representing the local planning authorities), and the South-East Economic Planning Council, and it has been carried out by a team drawn from government departments and local planning authorities.

Technical studies of various aspects of life in the region have been prepared and are to be published later this year. In the light of these studies, the planning team has concluded in its report that among the main issues facing the region are: a population increase of four or five million by the end of the century, arising from the natural increase of the region's 17 million inhabitants, a shortage of labour during the early 1970s, followed in the late 1970s and in the 1980s by an increase in the working population, so that throughout the 1980s and 1990s the region will need more jobs, more houses and more recreational facilities; a shortage of mobile employment—firms wishing to move to new locations—to meet the demands of the region and of other (priority) areas in the rest of the country, conflicts in the region's countryside between proposal's for development and the need to safeguard the landscape and agricultural, mineral and recreational interests; and a need to provide for a satisfactory evolution of the London area and for a solution to inner London's urgent housing and social problems.

Objectives

The planning team has set out a series of objectives for the region, which it regards as an essential basis for the recommended regional strategy. They include: making the best use of the region's resources; matching population and employment growth; providing for a wide variety of housing requirements and job opportunities; making the best use of the countryside; securing

the greatest possible ease of movement within the region consistent with a pleasant environment; and devising a sufficient flexibility to allow for different levels of population and employment growth while providing a firm guide for investment decisions and for the preparation of structure plans[1] by the local planning authorities.

Growth Areas

The report considers that a concentration of the region's growth in certain areas can provide large labour markets for employers, a wide range of job opportunities, scope for welfare and educational facilities to help socially deprived districts, a variety of ways of life and of community and cultural provisions, and assistance in limiting the impact of urban development and preserving extensive areas of open country. The form of development, says the report, need not be uniform and it need not involve high-density cities or continuous urban sprawl; one possibility suggested by the report is that of intgrated groups of towns, each supplying some specialised function

The five major growth areas recommended by the report, with population figures envisaged in each by the end of the century, are: South Hampshire (nearly 1·4 million); Milton Keynes/Northampton/Wellingborough (about 0·8 million); Reading/Wokingham/Aldershot/Basingstoke (between 1·0 and 1·2 million); South Essex (about 1 million), and the Crawley area (about 0·5 million). Medium growth areas are recommended for seven other centres: Maidstone/Medway; Ashford, Eastbourne/Hastings; Bournemouth/Poole; Aylesbury, Bishops Stortford/Harlow, and Chelmsford. These areas would act as 'safety valves' for the major growth areas if development pressures built up too rapidly or if the rate of growth fell short of that expected

Employment

The report notes that the south-east region provides employment for over 8 million workers and accommodates a high proportion of new and fast growing industries. In addition, with little more than one-third of the total population of England and Wales, the region has nearly half the total of office workers. The major employment centre in the region (and in the country) is Greater London where, despite the outward movement of manufacturing industry, the overall demand for labour remains high while the resident supply continues to fall.

The planning team foresees employment problems in the early 1970s resulting from the growth in demand for labour in some parts of the region at a time when there is expected to be only a slow increase in labour supply. Moreover, there may be difficulties in securing an adequate movement of employment opportunities to new and enlarged centres in the south-east in view of the fact that a proportion of the jobs which can be relocated will move to Development Areas and other priority areas outside the region.

The objectives of a south-east strategy, says the report, must include matching employment growth with population growth by linking the movement of workers with the dispersal of jobs while developing the specialised role of central London as an administrative, financial, commercial and tourist centre.

The planning team advocates the development of the proposed major growth areas so that those closest to London may provide opportunities for workers unlikely to move far from the capital, and the more distant centres may utilise employment which is generated locally or which, though able to

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[1] Local planning authority statements of development policy in their areas over a twenty-year period, dealing with the general use of land, including the management of traffic and the improvement of the environment.

move some distance, is tied to the south-east. The major growth areas would be supplemented by the expansion of the medium growth areas as employment centres.

Flexibility

The report's recommended strategy is designed to cope with a population growth of over four million in the south-east, but is sufficiently flexible to accommodate different levels of growth should these occur. Flexibility, says the report, is also necessary because of the uncertainties about the future size of London's population. The planning team regards it as important that Greater London should accommodate the maximum number of people consistent with improved housing conditions and good environmental standards at a reasonable cost, particularly in inner London because of the travelling problems created for people working in inner London if the outward movement of employment fails to keep pace with the outflow of the working population. The team has taken into account the possibility of a fall in Greater London's population, but it believes that, if London's population can be stabilised, pressures on the rest of the region may be reduced and the scale of growth of the outer London area reduced.

Implementation

The report recognises that the implementation of the suggested regional strategy depends on the investment plans of central and local government and private individuals and organisations. It proposes that structure plans should be prepared by local planning authorities to cover the whole region and emphasises the need for co-operation among these bodies so that there may be cohesive treatment of the various areas. Finally, the report suggests that there should be suitable machinery to survey long-term trends affecting the proposals and to suggest amendments, to monitor progress on the implementation of the proposals, and to ensure that initiatives are taken at regional level on matters of regional significance not fully dealt with in the study.

Government and Administration

Northern Ireland Development Programme 1970-75 (see pp. 688-90).	HMSO Belfast, 20s
Local Government in Northern Ireland. Report of the Review Body, 1970 (see pp 690-1).	Cmd 546 HMSO Belfast, 7s

External Affairs and Defence

The United Kingdom and the European Communities British statement at opening session of EEC membership negotiations, Luxembourg, 30th June	Cmnd 4401 HMSO, 1s 3d
Hong Kong. Recent developments in government housing schemes.	*Hansard* [HL], 15.7.70 cols 595-8
China: Detained British Subjects Names of the seven British subjects still detained and an account of the most recent government action on their behalf.	*Hansard*, 20.7.70 cols 25-6
South Africa: Arms. Statement by the Foreign and Commonwealth Secretary on the Government's intention to consider the export to South Africa of certain limited categories of arms directly related to the security of the sea routes within the context of the Simonstown Agreement.	*Hansard*, 20 7 70 cols 49-63
———Debate on the Opposition motion that the Government should abandon its intention to sell arms to South Africa on the grounds that this would threaten the survival of the Commonwealth and damage Britain's interests	*Hansard*, 22 7 70 cols. 559-676
Commonwealth Secretariat Appointment of Deputy Secretaries-General. Commonwealth Heads of Government, acting through their representatives in London, have appointed Mr. Azim Husain (India) and Sir Geoffrey Wilson (Britain) to succeed Mr. A. L. Adu (Ghana) and Mr. T. E. Gooneratne (Ceylon) as Deputy Secretaries-General when the latter relinquish their present appointments in autumn 1970. Mr. Azim Husain is at present the Ambassador of India to Switzerland; Sir Geoffrey Wilson is the Permanent Secretary, Ministry of Overseas Development.	Press release Commonwealth Secretariat 16.7.70

Economic and Scientific Affairs

Zambia: British Aid Aid to Zambia is expected to be about £3·2 million in the coming financial year, most of it is being used for the Overseas Service Aid Scheme	*Hansard*, 9.7.70 cols. 816-17
Tanzania: British Aid. Resumption of aid agreed after discussions with the Government of Tanzania at the end of June The programme is still to be worked out but will include a loan for capital development and the full range of technical assistance.	*Hansard*, 9.7.70 cols. 825-6
Malagasy Republic: British Aid Details of the capital aid and technical assistance programme for 1970-71	*Hansard* [HL], 15.7.70 cols 721-2
Nigeria: British Aid In January the Government offered £5 million for post-war relief and rehabilitation in Nigeria. In addition, British goods and services for reconstruction are being provided under the normal aid programme A further loan of up to £1·85 million was offered this year and is expected to be signed before long	*Hansard* [HL], 16.7.70 cols 727-9
Statement by the Minister of Overseas Development on British relief aid in 1968-69 and 1969-70	*Hansard*, 20.7.70 written answers col 30
—Debate on relief being given in Nigeria, with a further statement by the Minister of Overseas Development on British Government aid and the relief work of British voluntary organisations	*Hansard*, 21.7.70 cols. 470-84
Indonesia: British Aid Exchange of notes concerning an interest free development loan by Britain to Indonesia (United Kingdom Indonesia (No 1) Loan, 1970 Crumb Rubber Plant Project)	Cmnd. 4394 HMSO, 2s
Refusal To Supply A report by the Monopolies Commission on the general effect on the public interest of the practices of refusing to supply goods required for business purposes and of entering into certain exclusive supply agreements The Monopolies Commission finds that refusal to supply is widespread, but that the effect on the public interest is not on a scale to justify further substantial legislation. It does, however, recommend amending the law to make it more difficult for a supplier to refuse supplies to a price-cutting business It also proposes that the Department of Employment and Productivity should watch for cases where distributors exert pressure on suppliers regarding their choice of distribution channels.	Cmnd 4372 HMSO, 8s 6d

Social and Cultural Affairs

Doctors' and Dentists' Pay The Secretary of State for Employment and Productivity said in reply to a question that the reference on doctors' and dentists' pay was withdrawn from the National Board for Prices and Incomes on 29th June [see 19.6.70 p. 596].	*Hansard*, 16.7.70 cols. 1696-7

Misuse of Drugs Bill. The second reading of a Bill to make more extensive provisions to control narcotic and other dangerous drugs which is virtually identical with the Bill introduced by the last Government [see 24.4.70 p. 431-3] which failed to complete its passage through Parliament.	*Hansard*, 16.7.70 cols. 1749-1849
Land Commission. The Minister of Housing and Local Government announced that the Government is to introduce a Bill during the present session of Parliament to abolish the Land Commission and the betterment levy.	*Hansard*, 22.7.70 cols. 548-55
Registrar-General's Statistical Review of England and Wales for 1968: Part I, Medical Tables.	HMSO, 60s
Scottish Health Statistics 1968.	HMSO, 65s
Countryside Commission for Scotland. Annual Report for 1969.	HMSO, 8s
Strategic Plan for the South East. Report of the South East Joint Planning Team (see pp. 715-17).	HMSO, 40s
Ancient Monuments Board for England. Report for 1969 The report rejects the suggestion that old buildings and sites of special importance should be graded to save them from demolition or destruction, on the grounds that this might debase the currency of those not chosen for grading	HMSO, 2s 6d
A List of Festivals in England.	Arts Council of Great Britain, 105 Piccadilly, London W1, 2s

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Contents

GOVERNMENT AND ADMINISTRATION

United Kingdom Government

MINISTERIAL APPOINTMENTS

The death of Mr. Iain Macleod, Chancellor of the Exchequer, was announced in the House of Commons on 21st July, and tributes were paid to him by the leaders of all three parties (*Hansard*, cols. 240-6) Subsequently new ministerial appointments were made by the Prime Minister, as follows

Chancellor of the Exchequer	Mr Anthony Barber (formerly Chancellor of the Duchy of Lancaster)
Chancellor of the Duchy of Lancaster	Mr Geoffrey Rippon (formerly Minister of Technology)
Minister of Technology	Mr John Davies

The Supply of Arms to South Africa

A statement by the Foreign and Commonwealth Secretary, Sir Alec Douglas Home, on supplying certain limited categories of arms to South Africa wa made in the House of Commons on 20th July. A debate on the subjec followed on 22nd July. Sir Alec made it clear that while he had state the Government's intention, no final decision would be made while con sultations were still going on between Britain and other Commonwealtl Governments. Although the replies from the Commonwealth countries t the British Government's message have not been made public, a numbe of governments have expressed strong opposition to any resumption o arms sales to South Africa Meetings have been held between the President of Tanzania, Uganda, Zambia and Kenya to discuss the matter Th Canadian Government, apart from indicating their opposition to the Britis Government's intention, are reported to have communicated their decisio to discontinue the supply of spare parts for military aircraft previously sol to South Africa On 17th July the United Nations Security Council bega a special session at the request of African and Asian members, a resolutio was adopted on 23rd July which condemned the sale of arms to Sout Africa and called on all states to strengthen and observe strictly th embargo. Britain, France and the United States abstained

DISCUSSION IN THE HOUSE OF COMMONS

There were exchanges on the question of resuming the supply of arms t South Africa[1] during the debate on the Queen's Speech in the House c Commons on 2nd and 6th July. The Prime Minister, Mr Heath, speakin on 2nd July (*Hansard*, cols 76-83), stressed Britain's 'vital defence interests in South Africa and said that the Government intended to give full effe to the purposes of the Simonstown Agreement (see pp 729-30), although h made it clear that this did not mean that the Government condoned Sout African racialist practices.

On 20th July Sir Alec Douglas-Home began his statement (*Hansar* cols. 49-63) by saying: 'Her Majesty's Government have an overriding dut to take account of present and future strategic needs of the United Kingdor and, in that context, a particular concern for the free passage of ships i all circumstances on the vital sea routes round South Africa It was to th end that the Simonstown Agreement was negotiated.

'It is our intention to give effect to the purposes of that agreement an we believe that, as a consequence, we should be ready to consider withi that context applications for the export to South Africa of certain limite categories of arms, so long as they are for maritime defence directly relate to the security of the sea routes.

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1 The previous Government's decision to maintain the embargo on supplying arms to Sout Africa (stated on 17th November 1964) had been reaffirmed by the Prime Minister, Mr Wilso

'The Government have made abundantly clear their fundamental disagreement with the racial policies of the South African Government. In no circumstances would there be sales to South Africa of arms for the enforcement of the policy of *apartheid* or internal repression.'

He said that the Government had consulted with Commonwealth Governments, a number of whom had not yet replied or had requested further information and discussion At the same time the South African Government were seeking clarification of the interpretation of the Simonstown Agreement. These consultations and discussions had to be completed before decisions were finally taken In answer to questions from the Opposition, Sir Alec said that the Government could be influenced during the consultations and before a final decision was taken, but he had made a statement of the Government's intention He also promised that no action would be taken while the House was in recess and he would take the earliest opportunity he could of making a statement The Government could not, however, bind themselves not to take a decision, nor to say that other people would not be told about the decision, because the Commonwealth countries might want to know

Sir Alec maintained that there was no breach of a United Nations resolution, since these resolutions were not mandatory but recommendations to governments The last Conservative Government had said that they accepted the recommendation in relation to arms for internal strife but not in relation to arms for external defence [1]

On 22nd July Mr Michael Stewart, Foreign and Commonwealth Secretary in the previous Government, proposed the motion 'that this House calls on Her Majesty's Government to abandon its present intention to authorise the sale of arms to South Africa contrary to the United Nations resolution, since this would threaten the survival of the Commonwealth as a multi-racial community and inflict grave damage on the political, economic and strategic interests of this country' (*Hansard* cols 559-672). In his opening speech Mr Stewart said that there was no further commitment on Britain arising from the Simonstown Agreement to sell arms to South Africa beyond the sales already completed If the Government's intention was to contain or rival the Soviet naval presence in the southern hemisphere it would involve gigantic effort in money and manpower.

Sir Alec Douglas-Home said that the Government's intention to sell arms to South Africa in a particular context had been expressed ever since the Simonstown Agreement was signed in 1955 and was a policy they had operated from 1955 to 1964 The Government must be free to take decisions at a time of their own choosing, but he said no decision would be implemented before a further statement was made The balance of power at sea was changing and the Soviet Union was penetrating into the Indian Ocean, through which the trade route carried one-quarter of British trade and one-third of Europe's oil, the only military protection that could be given was for Britain to operate from Simonstown, together with the South African Navy equipped for naval patrol. On the Commonwealth he said that

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1 Resolutions on an embargo on supplying arms to South Africa were passed by the United Nations Security Council in August and December 1963 and June 1964 [see 21 1 64 pp. 79-84 and 22 12 64 p 1238]. Britain abstained in August 1963 The Government's position was explained by the British representative, Sir Patrick Dean, in a speech in August 1963 (quoted in the House of Commons debate on 6th July 1970, *Hansard* col 461) as being that no arms should be exported to South Africa which would enable the policy of *apartheid* to be enforced, but that South Africa had the right to self-defence under Article 51 of the Charter In view of the arrangements on co-operation with South Africa for protection of the sea routes, the Government reserved their position in the light of requirements regarding the supply of appropriate equipment. In December 1963 and June 1964 Britain voted in favour, while reserving its position on the supply of equipment for defence purposes Sir Patrick said in the debate in 1964 that Britain did not believe coercive measures were called for by the situation (as the August 1963 resolution had implied) nor that they were the right answer to the problem, and he made it clear that in voting for the resolution Britain was in no sense committed, then or at any time in the future, to support measures of coercion against South Africa

ritain valued the Commonwealth association but must ask to be treated ; an equal member and to have the same right to judge its own interests as ny other member. Sir Alec said that it was agreed that it was abhorrent to uild a society on colour discrimination, but force could not change the olicies of *apartheid*. He recognised the moral position of those who held ıat a boycott and sanctions against South Africa were right, but, if force ere ruled out, another way to solve *apartheid* would be by contacts and ample. On moral grounds he upheld the proposition that South Africa ıould not be ostracised but her territory opened up to the civilising ıfluences of the outside world.

Mr. Denis Healey, Defence Secretary in the previous Government, held ıat Simonstown was no longer important as a base The facilities it ovided were useful but not vital. If the Soviet Union were to begin to nk shipping, that would be a matter for the whole of the North Atlantic reaty Organisation. Many Governments north of the Zambezi believed ıat South African military power was a direct threat to them. Britain stood ı lose more in other parts of Africa and Asia than it could gain in South frica, but the biggest risk was the ruin of the Commonwealth.

The Minister of State, Ministry of Defence, Lord Balniel, winding up ır the Government, said that the Cape route was the lifeline connecting ritain with her fuel resources. The strategic argument for ensuring that ›uth Africa could fulfil its share of maritime defence seemed strong. In ›ting they were not concerned with the racial policies of the South African overnment but with the question of whether or not, after full consideration, e Government should be allowed to decide where Britain's defence interests y. Referring to the expansion of Soviet naval activity, he said that it was ıportant not to give any potentially hostile Power 'a soft option' He ›nt on: 'Any Power which is building up its naval forces has a number options to take at various levels short of war, from minor harassment ›wards.' Were the British Government to decide to sell arms, 'strict controls ould have to be imposed by our licensing arrangements, but in practice is in the highest degree improbable that the kind of equipment which we ight be asked to supply to honour the Simonstown Agreement would be ed for purposes for which it is not designed, if only for the reason at the South Africans already have very full supplies of equipment which infinitely more suitable. They possess a large number of Canadian built ;hter-bombers They possess French *Mirages* as well as the Italian designed acchi *Impala*. It is possible that we might be asked to supply anti- bmarine helicopters. Like all other items of equipment, this would have be looked at on its merits. If, however, South Africa wishes to use licopters, she need look no further than the 60 *Alouette* helicopters cently bought from France.'

The motion was defeated by 313 votes to 281

NITED NATIONS RESOLUTION

ıe African and Asian members of the United Nations called for an urgent ›eting of the Security Council to debate the arms embargo and the session gan on 17th July. Demands for a mandatory embargo were eventually opped by the five sponsors—Zambia, Sierra Leone, Burundi, Syria and ›pal. The wording of the original draft, which described the situation a 'serious threat to peace and security' and would have been interpreted making the resolution mandatory under the UN Charter, was altered read 'potential threat' and a passage calling on the permanent members the Security Council in particular to observe the embargo was also leted. The final resolution stated its total opposition to the policies of *artheid* and called on all states to strengthen and observe the arms

embargo, 'unconditionally and without reservations whatsoever', listing the supplies and the measures to which the embargo applied. The council adopted the resolution by 12 votes in favour: Britain, France and the United States[1] abstained.

Speaking in the council on 23rd July the British representative, Mr. Warner, said that his delegation was not opposed to the mention in the resolution of a 'potential threat', in view of 'the very real and understandable fears of South Africa's neighbours about that country's intentions towards them' On the other hand he did not feel that 'violations' was a suitable word to use in respect of the carrying out of recommendations of the Security Council He denied accusations that Britain's embargo was more formal than real and said that the facts had been made clear by the study carried out by the Special Committee on Apartheid. Only a small proportion of what was received by South Africa was supplied by Britain but 'tens of millions of pounds' worth of orders have been willingly foregone'.

To implement the embargo, as redefined, unconditionally and without reservation, would conflict with existing commitments. Moreover, because of the country's dependence on sea communications, the British Government had to consider the way in which the situation was developing around the Cape sealanes But, Mr Warner stressed, the Government had no intention of abandoning the embargo or of supplying arms for the wide category implied by the words 'external defence They had under consideration certain more limited exceptions related to their own essential interests, but had not yet reached any decision on these Abstention from voting in no way implied an unwillingness to condemn *apartheid* · Britain would be most willing to vote for any such condemnation, either separately or in any resolution it could support as a whole

THE SIMONSTOWN BASE AND THE AGREEMENT

Simonstown is a naval base on False Bay near Cape Town Situated about 6,000 sea miles from Southampton, in Britain, 6,500 from Halifax, in Canada, 4,600 from Bombay, India, and 5,800 from Melbourne, Australia, it is the principal base on the Cape route from Europe to the Indian Ocean.

The anchorage and fortifications of Simon's Bay in the original Dutch settlement of the Cape of Good Hope were first occupied by Britain in 1795 during the Napoleonic Wars, but were handed back to the Dutch in 1803 under the Treaty of Amiens The Cape was retaken by Britain in 1806, after war had again broken out and the Dutch had allied themselves with the French, and was subsequently retained under the terms of the peace settlement in 1814 because of its strategic importance on the sea route to India. British authorities in the Cape built and developed the dockyard. Both when Cape Colony became self-governing in 1872 and when the Union of South Africa came into being in 1910 Britain retained control of the Simonstown base and responsibility for naval defence

Under the Smuts-Churchill agreement of 1921 the British Government transferred to the South African Government the freehold of the lands and buildings which comprised the base, together with the responsibility for defending the naval dockyard Britain continued to maintain and staff the base itself. The South African Government guaranteed that Simonstown would at all times be in a position to serve as a naval link in imperial sea communications The base subsequently proved to be of considerable importance during the 1939-45 war.

[1] On 22nd July a spokesman of the US State Department reaffirmed his Government's intention to maintain its embargo on arms sales to South Africa and said that it 'would not be able to associate itself with any measures which might result in an increase in the flow of arms to South Africa'.

In 1955 talks between the British and South African Governments resulted in the exchanges of letters which constitute the Simonstown Agreement. These were published as a White Paper: *Exchanges of Letters on Defence Matters between the Governments of the United Kingdom and the Union of South Africa, June 1955* (Cmd. 9520).

The agreement provided for discussions, later held in London in September 1957, on the integration and development of regional defence planning against external aggression. The South African Government agreed to purchase from Britain six anti-submarine frigates, ten coastal minesweepers and four seaward defence boats, as part of a programme for the expansion of the South African Navy between 1955 and 1963. (These vessels were all supplied, with the exception of two which the South Africans themselves cancelled.) The British Government agreed to hand over to the South African Government the administration and control of the Simonstown naval base and also to transfer certain property. The South African Government agreed that the facilities of the base would be available for use by the Royal Navy in peace and war, and by the navies of allies of Britain in any war in which Britain was involved, and undertook to expand these facilities.

The Simonstown naval base was formally transferred to the South African Government on 2nd April 1957, and on 31st March 1958 the Royal Navy's armament depot near Kimberley was also transferred, following negotiations for its purchase. Ships of the Royal Navy continued to use the dockyard facilities on repayment terms, and certain ammunition is kept in storage at the armament depot for the Royal Navy The British Commander-in-Chief, South Atlantic, continued to fly his flag in the Cape area outside Simonstown, to exercise command over any British naval units in South Africa and to maintain liaison with the South African Navy The agreement made provision for him to be designated for purposes of planning and operational command in war as Commander-in-Chief of a maritime strategic zone.

When South Africa became a republic outside the Commonwealth on 31st May 1961 the arrangements entered into by the British and South African Governments remained in force.

In April 1967, as part of the Government's reduction of naval commitments in a number of areas, the Commander-in-Chief, South Atlantic was withdrawn and the command structure changed. The senior British naval officer, who was also naval attaché, was given a small staff and based at Cape Town. The Chief of the South African Navy was to take greater responsibility for the South African area in time of war. The Royal Navy continued to have the use of the facilities at Simonstown dockyard and of the communications provided by Cape Naval Radio.

British Aid Policy

Speaking at the forty-ninth session of the United Nations Economic and Social Council in Geneva on 7th July, the Minister of Overseas Development, Mr. Richard Wood, confirmed the British Government's 'absolute commitment to the task of assisting in the development process' which was 'an essential part of the role which Britain must play in the world' He indicated the British Government's attitude towards the proposals of the Preparatory Committee for the second United Nations Development Decade, which the council had before it, and also towards the work of the United Nations in the technical assistance and pre-investment fields.

Details of the agreed replenishment of the International Development Association's financial resources were announced in Washington on 23rd July. Britain is to make the second largest contribution, exceeded only by that of the United States.

UN DEVELOPMENT DECADE PROPOSALS

The Preparatory Committee for the second UN Development Decade was established by a General Assembly resolution of 17th December 1968 which instructed it to prepare and submit through the Economic and Social Council 'a draft of an international development strategy for the 1970s which would enunciate, within a comprehensive, coherent and integrated framework, the goals and objectives, both general and sectoral, as well as concerted policy measures at the national, regional and international levels to realise these goals and objectives'. The committee, composed of the 27 members of the Economic and Social Council and 27 members appointed by the President of the General Assembly, began its work in February 1969. Five members—Bulgaria, Byelorussia, Poland, Rumania and the Soviet Union—did not participate in the work, however, as they objected to the designation of the Federal Republic of Germany as a member of the committee.

The committee produced a draft strategy which was contained in the report of its sixth and final session, which ended on 29th May 1970.

The proposed objectives included an average annual growth rate of at least 6 per cent in the gross national product (GNP) of the developing countries and 3·5 per cent in their *per capita* GNP, the latter based on the assumption of a population increase of no more than 2·5 per cent annually. Sectoral growth rates proposed were: 4 per cent in agricultural output; 8 per cent in manufacturing output; an expansion of 0·5 per cent in the ratio of gross domestic saving to the gross product, to ensure a rise in this ratio to about 20 per cent by 1980; and an expansion of 'somewhat less than 7 per cent in imports and somewhat higher than 7 per cent in exports'.

Social objectives proposed called for measures to reduce unemployment and under-employment significantly during the Decade; to ensure the enrolment of all children of primary school age; to promote expanded and improved housing facilities, especially for low-income groups; and to encourage the productive participation of youth in the development process.

An attempt was made to recommend specific policy measures to which governments should commit themselves in the fields of financial resources for development, international trade, trade expansion among developing countries, trade in 'invisibles', science and technology, human development, expansion and diversification of production, and plan formulation and implementation. In the absence of complete agreement, some of these recommendations were left in square brackets in the document. Others were the subject of substantive reservations by governments which were unable to accept the measures involved or the implementation dates proposed.

Agreement was not reached on a proposal concerning measures to soften the terms and conditions of aid, but there was agreement on a proposal recommending that developed countries should take whatever measures they could to reduce the extent of the tying of aid, and on another recommending an increase in the resources made available through multilateral aid institutions.

Parts of the text on which it did not prove possible to reach agreement included a paragraph concerning the date for the attainment of the UN Conference on Trade and Development (UNCTAD) target of 1 per cent of GNP in total flows of resources to developing countries, and a paragraph concerning the date for the attainment of an official aid target of 0·75 per cent of GNP, in both cases it was proposed that the date should be 1972. They also included a paragraph concerning two new suggested targets to be attained by the end of the Decade. 0·05 per cent of GNP as aid for the direct support of science and technology in developing countries, and 5 per cent of total research and development expenditure, as additional resources, to be devoted to specific problems of developing countries. There were differences of opinion within the Preparatory Committee not only on these latter targets but also on the concept of their quantification

Other proposals on the details of which agreement was not reached included one that developed countries should eliminate by 1972 duties and other barriers to imports of primary products from the developing countries, and another that developed countries should adopt trade policies which would facilitate the participation of the poorer nations in international trade, in particular by establishing a system of generalised preferences in their favour

Other recommendations concerned special measures to assist the least developed and the land-locked countries to overcome their particular disabilities; help from developed countries, on request, with family planning in those developing countries which considered that their population growth was hampering their development; measures to reduce the cost of insurance for developing countries; and efforts to expand their tourist industries. It was proposed that progress during the Decade should be subject to review at national, regional and international levels, and that the mobilising of public opinion in both developed and developing countries should be regarded as an essential part of the strategy.

BRITISH GOVERNMENT'S ATTITUDE

In his speech to the Economic and Social Council on 7th July the Minister of Overseas Development emphasised that the new British Government was currently occupied with a careful assessment of its policies in every field; he was not therefore in a position to make a detailed statement of policy. The subject of one of his first studies on taking office, however, had been the draft strategy proposed by the Preparatory Committee, which he described as a highly significant achievement.

Mr. Wood continued: 'I know that it contains important paragraphs on which there is no agreement, though I hope a greater measure of agreement will be reached in time for the special commemorative session of the General Assembly which will launch the Second Decade. But, on a wide range of very

important questions, this draft strategy document, even as it now stands, reflects the positive will of governments to achieve very far-reaching policy objectives in almost every field of human activity.' These could produce dramatic changes in the economic and social pattern of the world over the next ten years. The value of the document would lie in ' the extent to which it is a realistic expression of both the will and the means ' to achieve the objectives set out in it.

' This is profoundly important, for the document should not be a mere platitudinous statement of good intentions. It should be a major pronouncement by members of the international community—developed and developing alike - witnessing their earnest resolve to make every effort to achieve its objectives. The document must therefore both stimulate all governments to greater effort, and be a realistic statement of the possibilities of making that effort In order to be realistic, it must be based on what governments plan to do, or expect to be able to do, given their resources and their particular economic and social circumstances.

' I certainly do not believe that the document, in attempting to prescribe the progress that ought to be made, must necessarily be geared to the pace of the slowest; but equally, it must not lay down objectives which are impracticable for governments, however good their intentions, and however determined their will to co-operate in this great international effort. A document which did that could only bring disappointment to the aspirations of the developing world and disillusionment with the efforts of the international community. No doubt it is extremely difficult to draft a document of this kind which can be universally applicable, and if, finally, the document does set out policies, recommendations or objectives which any government is not satisfied it will be able to fulfil, then that government must say so and clearly explain its position. To do otherwise would be less than honest, and certainly less than fair to all the partners in this great enterprise.

' This is the way that my own Government intends to proceed. We approach the new Decade with complete goodwill and with the firm intention to do what we can to help forward its success, but I must make perfectly clear that we shall not subscribe without reservation to any measure in the strategy unless we can honestly see our way to carrying it out I must go further and tell the council that - to put it no higher we believe that the credibility of the strategy document would be diminished, if not destroyed, if it contained policy recommendations which were impracticable for the governments called upon to implement them '

The Minister gave two examples, related to the text of the Preparatory Committee's report, to illustrate his meaning. ' First, it seems to me that very few developed countries, however ready they were to accept the desirability of a separate target for official aid, could now so increase their aid programmes, and appropriate and spend money fast enough, to produce net disbursements of 0·75 per cent of their GNP by 1972. Secondly, with reference to the suggested targets on science and technology . . my Government has a good record on expenditure devoted to scientific research for the benefit of developing countries. We shall make every effort to maintain this, but, frankly, I do not believe that there is enough scientific manpower available, or that facilities could be so rapidly created in developing countries, for 0 05 per cent of the GNP of developed countries to be spent on scientific research there.'

Mr. Wood hoped that these comments would be seen for what they were: ' a measure of the seriousness with which we view this strategy document, and of the importance we attach to making it a realistic statement of what both developing and developed countries are called upon to do, in order to make a success of the Decade '. Although he could not, after only two weeks in office, say in detail where the British Government stood on all the issues unresolved in the Preparatory Committee's document, he had made plain its general intention. ' We are determined to see that Britain plays its proper part in dealing with world poverty, by working for the expansion of international trade, by providing

capital aid and technical assistance, and by encouraging private investm[ent] overseas.

'*We also intend to seek international agreement on tariff preferences [for] developing countries. At the first UN Conference on Trade and Developme[nt] (UNCTAD) in 1964, the United Kingdom delegation, led by the present Prim[e] Minister, took a lead in the present proposals for a generalised scheme of prefe[r]ences; and we are determined to do everything we can to achieve agreement [as] quickly as possible on preferences that will be of real benefit to all developin[g] countries.*

'*We have accepted the target set up at the second UNCTAD conference and have promised to increase our aid programme with the growing nation[al] prosperity which we hope the rest of our economic policies will bring about.* We shall work for an improvement in the conditions of aid[1]; and, in discussions with other governments which have already started, we shall try hard for agreement to reduce aid tying. We have still to decide how quickly we can translate into reality our policy intentions on financial resource flows, this will clearly affect our ability to accept the target dates for resources flows which many countries wish to see in the present draft strategy.'

Emphasising the positive aspects of the strategy, the Minister said that the document, by setting out carefully considered aims, endorsed by the international community, would 'act as a stimulus to all governments to advance beyond their present performance'. It showed a clear determination to work for further advance in many essential matters of trade and finance, where the main burden would lie on developed countries. Equally important, he added, were 'the objectives and policies which developing countries envisage for themselves in almost all fields of economic and social activity. It is the determination of the governments and peoples of developing countries to achieve these aims which will be the core of the problem; and it is this determination which gives the best hope for the future.'

Technical Assistance and Pre-Investment Studies

Earlier in his speech, the Minister reaffirmed the British Government's belief in the UN Development Programme as the principal vehicle for international activity in the technical assistance and pre-investment field It was for this reason that it warmly welcomed the Capacity Study [the Jackson Report, see 13.2.70 p. 155 and 8.5.70 p. 470]. Mr. Wood described the study as 'a thorough, timely and much-needed reappraisal of the UN development system' which had come at a time when there was 'increasing doubt about the administrative efficiency of the present machinery, notwithstanding the continuing strong support for the principle of UN activity in these fields'.

The British Government hoped 'that discussion of the study will lead not only to reform of the development system, which will enable it to make use of its increasing resources in a more coherent way, but also to a more closely concerted approach to development assistance on the part of the whole international community. We welcome the consensus reached at the meetings of the Governing Council in March and June,[2] which has established important guidelines for the

[1] In a written answer to a parliamentary question on 24th July (*Hansard*, col 267) about the terms of British aid loans, the Minister said: 'Most of our aid loans are free of interest In cases where interest is appropriate, I have for convenience decided to adopt fixed concessionary rates, ranging from 2 per cent to 7½ per cent, instead of using the Government lending rate with various waivers of interest in the early years.'

[2] The UNDP Governing Council, at its tenth session from 9th to 30th June in Geneva, adopted a wide-ranging series of principles and guidelines for strengthening the UN development system These concerned the introduction of 'country programming', linking UN activity more closely with the objectives of each developing country; greater co-ordination of UN development efforts in regard to each country; increased responsibilities for the UNDP's 94 field offices in various countries, and the streamlining of project procedures to reduce delays. The agreed principles reflect a number of the concepts and recommendations contained in the Capacity Study.

Administrator, for it will now be possible for him to develop integrated programmes on a country basis over a sensible timespan. There has also been general agreement on the need for a fundamental reshaping of the structure of management, so that it can effectively control this approach, by countries and by regions. This could lead to a much more satisfactory use of the multilateral resources supplied through the UN, and the achievement of those social and economic objectives which developing countries must obviously continue to determine for themselves. We also hope that problems common to developing countries, or to groups of those countries—for example, in agricultural research—can be more clearly identified and tackled on a concentrated international basis, using the resources of the UN Development Programme; and a great deal remains to be done to reorganise and strengthen the management of the programme, so that it can respond swiftly and efficiently to the aims set out in the Capacity Study.'

Education

The Minister of Overseas Development also referred to the designation of 1970 as International Education Year with the purpose of stimulating all nations to reassess their educational systems and priorities. His department had been reviewing its policies in bilateral aid to education and it had been decided 'that we can render our greatest service by concentrating on a few key areas, and in particular on teacher-training, curriculum development, and the exploitation of modern media and integrated educational planning. For this purpose we have established this year in Britain a Centre for Educational Development Overseas [see 24.4.70 p. 435]. We hope in this way to ensure that the help we give in education is directly related to the very special needs of developing countries.'

Population

On the subject of population and its relevance to aid and development, Mr. Wood said that while help could be offered it was 'up to each individual developing country to determine its own need for a population policy and decide for itself whether, in its own interests, to ask for expert advice and other assistance. The British Government, through its official aid programme, will continue to support family planning activities and population programmes, both through inter-governmental and voluntary agencies and bilaterally with individual governments, if they so request. The main scope for effectively increasing our own contribution probably lies in supporting multilateral efforts, and there will be a British grant of £400,000 to the UN Fund for Population Activities, of which £150,000 may be spent in the current year and the balance in 1971-72.'

IDA REPLENISHMENT

In a written answer to a parliamentary question on 24th July (*Hansard*, cols. 767-9), Mr. Wood said that negotiations for the third replenishment of the International Development Association (IDA)[1] had been successfully concluded, and gave the text of an announcement issued by the IDA in Washington on 23rd July.

The announcement stated that a proposal for a replenishment of the IDA's resources for a three-year period beginning in 1971 amounting to $2,438,620,000 had been transmitted to member governments for approval. Twenty-one

[1] The IDA was set up in 1960 as an affiliate of the International Bank for Reconstruction and Development (IBRD) to provide capital for developing countries on easier terms than those of the IBRD and for a wider variety of projects. It provides 50-year interest-free credits (with a service charge of ¾ per cent a year) with a 10-year grace period; these terms are designed to minimise the burden on the borrower's balance of payments. The lending policies of the IDA are, however, subject to the same criteria of economic and financial viability as those of the IBRD.

member countries plus Switzerland proposed to make available to the IDA for lending to poorer countries for development projects approximately $813 million a year. The first payment by the contributing countries was scheduled for 8th November 1971. The first replenishment in 1964 amounted to about $250 million a year, the second in 1968 to about $400 million a year.

Proposed annual contributions by 18 high-income member countries over the three-year period would be as follows

	$US
Australia	16,000,000
Austria	5,440,000
Belgium	13,600,000
Britain	103,680,000 (£43 2 million)
Canada	50,000,000
Denmark	8,800,000
Finland	4,080,000
France	50,000,000
Federal Republic of Germany	78,000,000
Italy	32,240,000
Japan	48,000,000
Kuwait	3,600,000
Luxembourg	400,000
Netherlands	22,520,000
Norway	8,000,000
South Africa	1,000,000
Sweden	34,000,000
United States	320,000,000

Proposed contributions by three other IDA members would be.

Ireland	4,000,000
Spain	2,500,000
Yugoslavia	4,040,000

In addition, Switzerland, which is not a member of the IDA, had agreed to make the IDA a 50-year, interest-free loan totalling $30 million (Switzerland made a $12 million loan on similar terms at the time of the second replenishment in 1968).

Britain has throughout been the second largest contributor to the IDA. Its initial subscription was $131·1 million (£54 6 million), its contribution to the first replenishment was $96·6 million (£40·3 million) and its contribution to the second replenishment is $155·5 million (£64·8 million). Its proposed contribution to the third replenishment totals over $311 million (£129·6 million) for the three-year period.

End of National Dock Strike

After a twenty-day stoppage normal working at Britain's docks was resumed on Monday, 3rd August, following the acceptance by the parties to the dispute, the dockworkers' unions and the National Association of Port Employers, of the recommendations of the Pearson Court of Inquiry. The court, appointed by the Secretary of State for Employment and Productivity, Mr. Robert Carr, to resolve

the deadlock which had developed between the employers and the dockworkers, took only ten days to prepare and issue its report.[1] The report sets out the background to the dispute, summarises the claims of the two parties and proposes amendments in dockers' pay. These proposals were instrumental in securing a return to work.

Background to the Dispute

The report refers back to the 1965 Devlin Report[2] which recommended a two-stage programme for reform of working and industrial relations in the docks:

Stage 1 Decasualisation, i.e. the allocation of registered dock workers to particular port employers on a permanent basis instead of the daily or half-daily basis under the previous ' pool ' system.

Stage 2 The abolition of all other restrictions on the effective utilisation of manpower and facilities, including the fullest possible economic use of mechanical aids, coupled with a review of the wages structure of the industry.

Both sides of the docks industry committed themselves fully to the implementation of these recommendations. The implementation of Stage 1 took place in September 1967 and was accompanied by a pay settlement which followed the recommendations of the 1966 report[3] of the Devlin Committee which had been reconvened for this purpose Under the terms of the settlement:

(a) the basic rate of pay remained at £11 1s 8d for 40 hours as agreed in January 1966;

(b) a supplementary flat-rate ' modernisation payment ' of £2 for 40 hours (and 1s an hour for any overtime) was introduced;

(c) a minimum earnings guarantee of £15 a week (£16 in London) was introduced, this was increased in January 1968 by £1 and in November 1969 it was converted to a daily basis.

Dockers' earnings normally exceed the guaranteed minimum levels since the great majority are piece-workers paid according to locally negotiated rates, while the relatively few time-workers mostly have a locally negotiated occupational differential above the national time-rate The significance of the basic minimum rate lies in its role as a norm used for calculating other rates such as holiday pay and overtime.

The report points out that the claim for an increase in the minimum time rate is of long standing, dating back to a union claim of 28th December 1967. In subsequent negotiations between employers and unions no new agreement had been reached. In March 1970, the dockworkers' representatives put forward a claim for the basic rate to be increased to £20 for a 40-hour week. Further discussions did not lead to a settlement and on 15th July a dockworkers' delegate conference decided by 48 votes to 32 to conduct an official strike in support of the claim. In response, the employers reaffirmed that they could not agree to any increase in the minimum time rate and stated that they were willing to hold further talks only if the strike call was withdrawn. In this situation the Secretary of State set up the court of inquiry.

The Cases of the Trade Unions and the Employers

In their submissions to the court of inquiry, the trade unions presented their claim as part of an attempt to modernise wages in the industry and stated that the

[1] Report of the Court of Inquiry under The Rt. Hon. The Lord Pearson, CBE, into a dispute between the parties represented on the National Joint Council for the Port Transport Industry, July 1970 (Cmnd. 4429, HMSO 3s).

[2] Final Report of the Committee of Inquiry under the Rt. Hon. Lord Devlin into certain matters concerning the Port Transport Industry (Cmnd 2734).

[3] Report of the Committee of Inquiry under Lord Devlin into the wages structure and level of pay for dockworkers (Cmnd. 3104).

existing minimum time rate was outmoded, unreliable and unjust. They emphasised the contribution made by dockworkers to improving productivity in the industry, drew attention to inconsistencies arising from the current pay structure and affirmed their belief that it was necessary to have the confidence of dockers if the industry was to move on to greater modernisation.

The employers pointed out certain improvements in the terms of dockworkers' employment recently agreed to, and stressed that average earnings (at about £35 per week) compared favourably with those of other industries and that the rate of increase of earnings (57 per cent over four years) was ahead of that in industry generally. They also calculated that meeting the full cost of the claim could lead to a 50 per cent increase in the industry's wages bill.

The Court's Findings

The report describes the docks industry as being 'in the course of making a major, far-reaching and vitally important transition from the old-fashioned and relatively inefficient methods of working and an archaic, complex and not wholly rational pay structure to new and much more productive methods of working and a simplified and rational pay structure'. The current claim, says the report, 'though based on a genuine anomaly, should be treated as one aimed at providing interim relief pending the introduction of those [Devlin Stage 2] reforms'

The report says that dockworkers 'are by no means underpaid in comparison with other workers' but declares that the minimum time rate is inadequate when considered by itself and 'is a manifest defect in the present wage structure [which] could give rise to a sense of grievance and discontent'

The report recommends the following changes in pay structure

(1) For the purpose of calculating the overtime premiums there should be a special overtime calculator of 8s per hour in substitution for 5s 6½d per hour.

(2) Holiday pay should, as offered by the employers, be at the rate of £20 per week instead of £16 15s 7d.

(3) The national minimum earnings level should, as offered by the employers, be raised from £16 (£17 in London) to £20 per week.

(4) The national minimum earnings level, which is already applied on a daily basis, should be £4 per day as the minimum wage for the eight-hour day without overtime.

(5) The modernisation payment of 1s per hour should, as offered by the employers, be raised to 1s 6d and in principle the additional 6d should be paid 'across the board'.

In view of the complications of pay and working throughout Britain's docks, the court was unable to make a precise calculation of the cost of carrying out its recommendations but, as a rough estimate, was of the opinion that the cost was 'likely to be in the region of 7 per cent of the wage bill or slightly less'. The settlement is to apply only in the interim period pending the implementation of the Devlin Stage 2 proposals which will increase the efficiency of the docks industry and lead to further improvements in dockers' earnings.

Industrial Relations

COMMISSION'S FIRST REPORT

In the first general report of the Commission on Industrial Relations (Report No. 9, Cmnd. 4417, HMSO, 3s), published on 23rd July, a short account is given of the commission's operations since it was founded in March 1969 together with comment on some general issues raised by its experience.

The setting up of the commission derives from a recommendation of the

Donovan Commission[1] advocating the creation of an agency specifically devoted to developing and improving collective bargaining and the general conduct of industrial relations. The White Paper *In Place of Strife* [see 31.1.69 pp. 131-6], prepared by the Labour Government, subsequently proposed the establishment of a permanent independent Commission on Industrial Relations (CIR) to investigate issues referred to it by the Secretary of State for Employment and Productivity, to whom it would in due course report.

Work of the Commission

After a slow start the commission's operations quickened as initial difficulties were overcome and as the idea of having issues referred to it gained readier acceptance by both sides of industry.

References to the commission have been of four main types: general references not restricted to a particular company or industry and posing problems of importance for the conduct of industrial relations; references concerned with industrial relations throughout a whole industry; references concerned with the conduct of industrial relations within a particular company or within selected establishments, and references concerned with the efforts of trade unions seeking recognition from employers. Up to the end of June 1970, 25 references were made to the commission: of these, 3 were general cases, 2 were industry cases, 11 were company procedure cases and 9 were recognition cases. (Brief summaries of the main findings of the commission's reports relating to the first 8 of these references are given in a separate chapter together with notes of subsequent action.)

The commission's approach to its work is governed by two leading considerations, the acknowledgement of the final responsibility of the parties involved for conducting their own industrial relations, and the conviction that change can often be secured by the availability of more factual information and a deeper knowledge of the attitudes and beliefs of each party by the other.

On the receipt of a reference from the Secretary of State, responsibility for action is assigned to one, or occasionally more than one, commissioner supported by a small group of staff There are discussions with the parties concerned whose co-operation is sought both on the contents of the inquiry and on the methods proposed for carrying it out. When the main investigation has been completed there is further discussion with the parties about the issues which appear to arise and the commission's ideas for dealing with them. A report is prepared and discussed with the parties, and their agreement sought on a course of action. Such action may be put into effect before a final report is published. The commission expects that the accumulation of information during its work will provide material for more general studies at a later date.

Aims and Purpose of the Commission

In a chapter discussing some general issues arising from its work (for example, whether employers should always recognise trade unions, and whether collective bargaining is appropriate for 'white-collar' workers), the commission notes that while it exists 'to produce useful contributions to the solution of particular problems' its main aim is 'to produce general guidance of wider import'. The commission reconciles these demands by declaring that 'underlying the particularity of circumstance which may be of crucial importance for smooth and successful operation in the individual case, there are general principles, procedures and practices, with recognisable basic similarities which have been evolved and successfully operated by those concerned over a long period of time with the practical conduct of industrial relations. It is in the application of such proven ideas and practices, adapted and made to fit particular circumstances, that the commission sees a role for itself.' In addition, the commission

[1] Royal Commission on Trade Unions and Employers' Associations, 1965-68 [see 21 6.68 p 601]

hopes 'increasingly to add to the stock of knowledge as well as to put received ideas to the test of wider experience'.

In an assessment of its experience the commission states that 'we now know that the methods of factual background and knowledge of industrial relations problems, can and do produce results', and notes 'that over the broad field of industrial relations successful results necessarily depend on co-operation and mutual confidence'.

The commission sums up its present views on its role in three comments 'Firstly, we think that there is considerable scope for an independent agency like the CIR to play its special part in the efforts to improve the quality of industrial relations. Secondly, we note a growing acceptance of this view, which gives grounds for believing that the CIR will enjoy increasing authority and influence. Thirdly, we are convinced that within whatever system industrial relations are carried on there will always be a basic need for persuasion, understanding and acceptance if those relations are to be satisfactory and consequently for systems and institutions which meet that need.'

Civil Aviation

'SECOND FORCE' AIRLINE

It was announced by the Board of Trade on 3rd August that the Government had approved the suggestion that a 'second force' independent airline should be set up, based on Britain's biggest independent airlines of British United Airways (BUA) and Caledonian Airways and acting as second flag carrier on major international routes as well as sustaining extensive charter services

The establishment of such an airline, and a transfer of routes from the publicly-owned air corporations British Overseas Airways Corporation (BOAC) and British European Airways (BEA), was recommended by the Edwards committee in its report *British Air Transport in the Seventies* [see 23.5.69 p. 475]. The then Labour Government in a White Paper [see 5.12.69 p. 1080] stated that it favoured the setting up of a second force airline but not the suggested transfer of routes. The present Government has now explained that it intends to arrange for a transfer of a limited number of routes, preferably by agreement with the air corporations but otherwise by compulsion using powers under section 3 (5) of the Air Corporations Act 1967 and Section 1 (3) of the Civil Aviation (Licensing) Act 1960. It has been made clear, however, that such a transfer would be regarded as exceptional and would possibly involve some exchange of routes between the corporations and the new airline, which as a result would have the chance to compete effectively in the world market The Government hopes that the airline will be set up as soon as possible and will be operating new routes by the summer of 1971.

Total revenue of BOAC is about £200 million and it is estimated that intercontinental traffic will expand by some 14 per cent a year up to 1975. In this context the Government considers that a modest transfer of routes representing some 2½ to 3 per cent of its annual current income (£5 million to £6 million) would have little impact on BOAC's profitability and development. The air corporations would remain the principal flag carriers, responsible for the major part of Britain's civil aviation effort.

The previous Government in March 1970 withheld permission for BOAC to buy BUA, while negotiations for a merger between BUA and Caledonian were carried on. Negotiations are expected to continue for some weeks.

Freight Transport

FIRST REPORT OF NEW CORPORATION

The first annual report and accounts, for 1969, of the National Freight Corporation (NFC), were published in July (HMSO, 10s) The corporation was set up, as a nationalised body, under the Transport Act 1968, and began operations on 1st January 1969, when it assumed control of the road freight undertakings of the Transport Holding Company (THC), a nationalised body set up under the Transport Act 1962, and of certain undertakings of the British Railways Board (BRB), namely freight traffic in relatively small consignments requiring road transport for at least part of the way (now National Carriers Ltd) and freightliners (express container trains now managed by Freightliners Ltd. in which the BRB has retained a 49 per cent interest). Two shipping undertakings -Associated Humber Lines Ltd and Atlantic Steam Navigation Ltd. were taken over from the THC but are to be transferred to the BRB

The NFC's business is to provide freight transport services by road or rail, whichever may be most convenient in any particular case, making use of sea and air transport if necessary for part of a door-to-door transit The Transport Act 1968 requires it to use rail whenever this would be efficient and economic Apart from its general traffic it carries special freight such as household removals, bulk liquids and powders, abnormal loads, car bodies, and cars to destinations in Britain and overseas. Freight in full train-loads or by rail throughout between customers' sidings, and parcels carried on passenger trains, remain the responsibility of the BRB

The board of the NFC directs general policy and watches performance, while the corporation's subsidiary companies manage and sell the services which it provides A small NFC headquarters administration ensures that board policies are carried out and that the board and its subsidiaries are kept closely in touch

To provide the opportunity for discussion of common policies a central organisation, the National Freight Federation Ltd, has been set up, containing the member companies and the corporation itself. It provides certain common services in connection with such matters as staff relations and training, secretarial and legal work, engineering, purchasing, surveying, auditing, costing, insurance, information and telecommunications

Discusssion continues on how best to integrate services whenever appropriate. In particular, the Freight Integration Council, a body set up under the 1968 Act to co-ordinate rail and road activities in the public sector, was due to report on plans for the parcels activities, where integration is most likely to prove beneficial

Finance

The road freight companies taken over from the THC were already, taken as a whole, profitable, together with other transport undertakings such as shipping they made a net profit of £3 9 million in 1969. The companies taken over from the BRB were, however, making heavy losses; National Carriers made a loss of £15·1 million in 1969, while a loss of £1·1 million was provisionally allotted to the NFC in accordance with its 51 per cent holding in Freightliners. Taking into account a £17 million grant from the Government for National Carriers, and short-term interest and headquarters expenses of £0·8 million, there remained a profit of £3·9 million, converted by interest on capital debt and other long-term borrowings of £5·8 million to a loss of £1·9 million. (The Transport Act 1968 provides for a sum not exceeding £60 million in all to be paid

annually as necessary over a period not exceeding five years towards the losses of National Carriers.) The grant covers interest borne on National Carriers' share of the corporation's capital debt in addition to the actual loss on operations. The whole question of the scope and basis of the grant was still under discussion with the Ministry of Transport.

In spite of the final loss there was in fact a considerable financial improvement during the year, impossible to measure exactly owing to differences in accounting practice, but it was estimated that the losses of National Carriers were cut by 10 to 15 per cent, Freightliners' ratio of loss to turnover was halved, and the results of the shipping companies improved by several hundred thousand pounds A slight fall occurred in the profits of the road haulage companies, due mainly to a strike suffered by BRS Parcels Ltd

Haulage and Container Companies

British Road Services Ltd is the largest NFC company engaged in general haulage; associated with it are BRS (Contracts) Ltd. and other companies, including a car transporter company which is one of the biggest in Britain. The group controls some 11,000 vehicles and approaching 16,800 staff. In 1969 its gross receipts amounted to £54·3 million it made profits of £1·4 million

Strikes in the iron and steel and motor industries and the docks depressed traffic, while costs rose sharply, in some cases as a result of legislation, such as that requiring plating and testing of goods vehicles New activities were developed, including an overnight express service, a pooling service at Liverpool docks, and a distribution consultancy service BRS (Contracts) increased its business and was able to offer over 3,800 vehicles for exclusive use on a long-term hire basis

While the BRB hauls the trains between freightliner terminals, the terminals themselves, the containers and the road vehicles involved are owned by Freightliners Ltd. Freightliner services have developed rapidly since first introduced in November 1965. In 1969, 397,000 containers were carried, and the number of terminals reached 61. The business was not yet profitable; gross receipts in 1969 were £10·7 million, resulting in a £2·3 million loss.

Among the other companies engaged in haulage and container activities were the Tayforth Haulage Company, based mainly in Scotland, Containerway and Roadferry Ltd, one of Europe's biggest through-freight organisations; Lawther and Harvey, based in Belfast, Star Bodies (BRS) Ltd, engaged in designing, building and repairing goods vehicle bodies, and Northern Ireland Carriers Ltd., owned jointly with the Northern Ireland Government. With other bodies the corporation has interests in a growing number of containerbases (inland depots for assembly of freight for container purposes).

Parcels Companies

Efforts to co-ordinate the activities of the parcels companies were begun in 1969 by arranging for them to report through British Express Carriers Ltd., a company reactivated for the purpose. BRS Parcels Ltd operates a network covering some 24,000 places and handles around 100 million packages in a normal year. A profit of only £0·2 million was made in 1969, following an extensive strike causing a revenue loss of over £1 million.

Other Companies

The Pickfords group deals mainly with household removals, but also

with abnormal loads, tank haulage and special contracts. A profit of £0·7 million was made in 1969. Several other companies deal with special traffics. Harold Wood and Sons Ltd. is Europe's largest transporter of liquids and powders; and Road-Air Cargo (International) Ltd. was set up in 1969 to provide door-to-door air cargo facilities

For the shipping companies, 1969 was a difficult year but both improved their positions. The Atlantic Steam Navigation Company, in spite of a dock strike, converted a loss of £222,000 in 1968 to a profit of £205,000. Associated Humber Lines reduced its loss, to £349,000, the overall result for the two companies being a loss of £144,000 compared with £650,000 on a comparable basis in the previous year

Tourism in Scotland

The report of the statutory Scottish Tourist Board covering the first six months of its operation was published in July.[1] The last annual report of the voluntary Scottish Tourist Board, which was replaced by the statutory board under the Development of Tourism Act 1969 [see 6.12 68 p. 1143], was published towards the end of 1969.[2]

FINAL REPORT OF VOLUNTARY BOARD

Since its establishment in 1946, the Scottish Tourist Board had been involved in the growth of tourism in the country from a negligible interest to a major industry earning annually over £100 million While the attractions of Scotland as a tourist centre had been increasingly recognised the board had also become conscious of the country's shortcomings and a major research programme financed by a government grant of £25,000 a year had been undertaken by the board in its last three years of existence

Research into the Industry

The research programme, which ended in January 1969, was divided into four main sections:

(1) Practical projects of an experimental nature designed to raise the standard of tourist facilities to the high level necessary for international competition. These projects comprised: the establishment of the Scottish Tourist Industry Consultancy Service to give expert advice to hoteliers and guest-house proprietors; the regionalisation of board activities with the aim of marketing Scotland by regions instead of as an entire country; and a pilot project of assessment and registration of accommodation. Since the start of the latter project the Government has announced its intention of launching a nation-wide assessment and registration scheme.

(2) Nine regional studies to determine the attractions of each part of the country and to provide guidelines for future development.

(3) Statistical surveys to establish the value of tourism in specific areas. Published surveys include studies of the Highlands and Islands, coach tours, summer tourists, hotel economics, and the Pitlochry Festival Theatre.

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[1] *Scottish Tourist Board, First Report*, 1st October 1969 to 31st March 1970 Scottish Tourist Board, 2 Rutland Place, Edinburgh, 3s.

[2] *A Green Light for Scotland's Tourist Industry*, Scottish Tourist Board annual report, 1968-69.

(4) Additional studies undertaken into such fields as sea angling, coarse fishing, winter sports, caravanning and camping, and the production of a tourist map of the Cairngorms.

Publicity

During the year, the report states, the board continued its activities in attracting visitors through exhibitions, travel workshops for travel agents, press visits and publications.

Conclusion

The report states that 'the Tourist Board is fully aware that while an immense amount has been achieved, even more remains to be done. Throughout its existence, the board has never lacked for ideas of what is needed for Scotland, and these ideas have been crystallised by the research programme'

FIRST REPORT OF STATUTORY BOARD

In its first six months of operation, the new statutory Scottish Tourist Board has continued with the work carried out in the past by the voluntary board. In addition, a Scottish Tourist Consultative Council has been formed to discuss various aspects of tourist development and to make recommendations for action to the board. The council has endorsed the board's proposal that regional tourist associations should be formed to co-operate in developing tourism and, in their own areas, to provide information and other services for tourists.

Hotel Development Incentive Scheme

During the first six months, 140 applications for grants and loans were made to the board under the Hotel Development Incentive Scheme. These applications represent an additional 2,181 rooms at an estimated cost of over £11 million. In addition, the report states, there were many more hotel projects in hand for which the board had not yet received formal application for grant or loan assistance.

Race Relations Board

ANNUAL REPORT

The annual report of the Race Relations Board—the first covering a full year since the board was reconstituted under the Race Relations Act 1968—was published at the end of June (HMSO, 7s). In its introduction the report says that the board's statutory function of securing compliance with the Act[1] is discharged basically in three ways: by the investigation of complaints made by people who believe they may have been the victims of unlawful discrimination; by making investigations in the absence of a complaint where there is reason to believe that an act of unlawful discrimination has occurred; and by educational and preventive work.

The board is assisted by nine regional conciliation committees which have the same duties as the board in investigating complaints. In fact, the conciliation committees have dealt with the majority of complaints. Membership of these committees is entirely voluntary and the members bring to the board's work knowledge and experience of various parts of Great Britain and of a wide range of activities.

Investigation of Complaints

In the year ended March 1970 the board and the conciliation committees investigated 982 complaints. In 734 cases they formed the opinion that no discrimination had occurred; in 248 cases they were of the opinion that it had. Over half the investigations (513) were concerned with employment. In two cases the board brought court proceedings because it was unable to obtain a satisfactory assurance against further acts of discrimination. The fact that proceedings were necessary in only two cases, says the report, was a welcome illustration of the effectiveness of the Act.

Investigations where no Complaint had been made

The Act empowers the board to initiate investigations without a complaint having been made where they suspect that unlawful discrimination has occurred. There have been 39 investigations of this kind. In the opinion of the board, this provision is especially important where a person is not in a position to know he has suffered unlawful discrimination or where he is reluctant to register a complaint.

Nature of Complaints

The report goes on to describe the different classes of complaints, among which are those made against clubs and dance-halls; those concerning education,

[1] The Race Relations Act 1968 makes it unlawful to discriminate on grounds of colour, race or ethnic or national origins in the provision of goods, facilities or services, and in employment and housing.

including complaints made against the refusal of local education authorities to award grants for higher education to students who had not been resident in Britain for three years (the usual condition); those connected with insurance; complaints against the Crown, almost all of which related to the Department of Employment and Productivity and the Department of Health and Social Security but in none of which was the opinion formed that discrimination had occurred; and complaints against the police, none of which was within the scope of the Act.[1] The report also discusses complaints concerning the display of discriminatory advertisements and notices and claims that the Act has successfully combated this practice

Housing

The report discusses complaints concerning housing. There were 85 such complaints, 41 of which related to private housing, 32 to estate agents and 12 to public housing, including complaints about waiting lists and periods of residential qualification. In 12 cases the opinion was formed that discrimination had occurred. The report refers to the Cullingworth report on council housing [see 13.2.70 p. 174] which points out that residence rules tend to discriminate against newcomers, though not necessarily unlawfully.

Employment

Of 500 employment complaints dealt with, 202 related to recruitment, 90 to terms and conditions of employment, 4 to training, 28 to promotion and 176 to dismissals. Thirteen investigations were also undertaken where no complaints had been made. In only 7 per cent of cases was discrimination found to have taken place. The report points out that the picture is somewhat distorted by certain people who complain persistently; 54 opinions of no discrimination involved only four people The report emphasises the difficulty of establishing unlawful discrimination in employment Eleven complaints involved trade unions but in only one case was the opinion of discrimination formed.

Nearly a quarter of all employment complaints made under the Act were dealt with by machinery within the industries concerned.

Information

The report says that the board firmly maintain the view that providing information about the Act, its enforcement and the intentions behind it is an important part of its statutory duty. During the year attention was concentrated on potential discriminators and the board has taken part in conferences of professional and occupational groups. Advice to individual firms and undertakings has been increasingly given. The board has produced leaflets and other publications in Indian and Pakistani languages and has commissioned short films.

Conclusions

The report concludes by saying that the board believes that the Act is sound and that the method for dealing with complaints is right, although there are inherent weaknesses in any complaints-based system. The board believes that the passage of the Act and its enforcement have had an impact but that unlawful discrimination in the areas it covers remains substantial. Management and trade unions, the Government and local authorities, estate agents and insurance companies, for example, are in a position to be far more effective in ensuring that equal opportunity prevails than anything the board can do, says the report. The Act can stimulate these and other bodies to fulfil their social responsibilities.

[1] The procedure adopted in complaints against the police was to offer to forward such complaints to the appropriate Chief Officer of Police

Government and Administration

Judges. Parliamentary approval given to an Order, made under provisions of the Administration of Justice Act 1968 [see 28.2.69 p. 234] to increase the maximum number of judges who may be appointed. New maximums are: judges of the Court of Appeal 14(13), puisne judges of the High Court 75(70); county court judges 125(105). *Hansard*, 22.7.70 col 690

The Police Council of Great Britain. The reconstitution of the Police Council, established under the Police Act 1964 to consider questions of pay, allowances, leave, hours of duty, pensions and conditions of service generally, was announced by the Minister of State, Home Office, in the House of Commons The reconstituted council will include also representatives of the new police authority for Northern Ireland and of the Royal Ulster Constabulary in line with the recommendations of the Hunt Committee [see 7.11.69 p. 980] and the provisions of the Police Act 1969 [see 5 12.69 p. 1061]. *Hansard*, 24.7 70 col. 1097

Legal Aid and Advice 1968-69. The nineteenth report recommends introduction of Law Society's scheme for an extended legal aid service [see 30.1 70 p. 89]. H.C. No. 283 HMSO, 7s 6d

Departmental Committee on the Fire Service Report and recommendations of a committee appointed in 1967 to examine (a) the organisation of the fire service in Great Britain, (b) the relationship between the central government and local fire authorities, the functions of the fire service, measures for maintaining its efficiency, arrangements for recruiting and training its members, and the machinery for determining pay and conditions of service, (c) the need for further fire prevention measures, and (d) fire research and the application of its results. Cmnd 4371 HMSO, 20s

Civil Judicial Statistics. Statistics relating to the Judicial Committee of the Privy Council, the House of Lords, the Supreme Court of Judicature, County Courts and other civil courts for the year 1969. Cmnd. 4416 HMSO, 13s

Statute Law Revision: Second Report. The report, by the Law Commission, contains the draft of a Bill to abolish certain prerogative rights of the Crown to wild creatures (including royal fish but not including swans) and certain related rights and franchises; to abrogate forest law (subject to exceptions); and to repeal enactments relating to those rights and franchises and to forests and the forest law. Cmnd. 4433 HMSO, 2s

Parole Board for Scotland. The annual report for 1969 states that 105 of the 170 cases considered during the period under review were recommended for early release. No prisoner or young offender on parole during 1969 had had to be recalled.	HMSO, 2s 3d
New Parliamentary Building: Commonwealth Architectural Competition. The Minister of Public Building and Works, in association with the Royal Institute of British Architects, has announced a competition open to architects from all Commonwealth countries for the design of a new parliamentary building in Bridge Street, Westminster.	Press release MPBW, 27.7.70

External Affairs and Defence

Further Documents on Disarmament. The Disarmament Negotiations, 1969. Texts and descriptive commentary on the proceedings of the Geneva disarmament committee and the UN General Assembly.	Cmnd. 4399 HMSO, 18s

Economic and Scientific Affairs

Trade with Africa. Details of British trade in the past financial year with South Africa, Portuguese territories and the rest of Africa and of British investment in these areas in 1968.	*Hansard*, 21.7.70 written answers cols. 91-2
Import Deposits: Reduction of Rate. The Chief Secretary to the Treasury announced that the import deposit scheme introduced at a rate of 50 per cent in November 1968 [see 6.12.68 p. 1138] and reduced to 40 per cent in December 1969 and 30 per cent in the Budget statement in April 1970 was to terminate on 4th December 1970 on the expiry of the Customs (Import Deposits) Act. The rate of deposit is to be further reduced to 20 per cent with effect from 1st September 1970.	*Hansard*, 22.7.70 written answers col. 147
South Africa. Tariffs on British exports to South Africa and on South African goods imported by Britain.	*Hansard*, 24.7.70 written answers cols. 295-6
Herring Industry Board. Thirty-fifth annual report, for the year ended 31st December 1969.	Cmnd. 4367 HMSO, 4s
Laos. Exchange of Notes between Britain and Laos concerning the participation of Britain in the foreign exchange operations fund for Laos.	Cmnd. 4378 HMSO, 1s 3d
Belgium. Convention between Britain and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.	Cmnd. 4384 HMSO, 6s 0d
Sudan. Agreement between Britain and Sudan concerning the provision of certain technical assistance by Britain.	Cmnd. 4385 HMSO, 2s
Heathrow (London) Airport. First report of the Committee of Inquiry into the disruption of operations and industrial relations at Heathrow (London) Airport.	Cmnd. 4405 HMSO, 2s 3d

Lesotho. Exchange of letters between Britain and Lesotho concerning the guarantee by Britain and the maintenance of reserves in sterling by Lesotho (Sterling Area agreement).	Cmnd. 4415 HMSO, 9d
Brick Industry. Pay and other terms and conditions of employment in the Fletton Brick Industry and the prices charged by the London Brick Company. National Board for Prices and Incomes Report No. 150.	Cmnd. 4422 HMSO, 4s 6d
Pay and Productivity in the Water Supply Industry National Board for Prices and Incomes Report No. 152.	Cmnd. 4434 HMSO, 8s 6d
Post Office. Report and accounts for the six months ended 30th September 1969.	HMSO, 9s
Hotels and the Business Traveller. Study of the use made by the business community during 1967 of British hotel services and amenities, by the Economic Development Committee for Hotels and Catering.	HMSO, 8s
The Holiday Industry of Devon and Cornwall. Report prepared at the University of Exeter and published by the Ministry of Housing and Local Government.	HMSO, 27s
Labour Losses in the Electronics Industry. Report by the Economic Development Committee for the Electronics Industry.	NEDO, 21/41 Millbank, London SW1
British Transport Docks Board. Annual report and accounts for the year ended 31st December 1969.	BTDB, Melbury House, Melbury Terrace, London NW1
Location of Offices Bureau. Annual report, 1969-70.	LOB, 27 Chancery Lane, London WC2A 1NS, 2s 6d
Mechanical Handling Equipment Industry. Fact Sheet on British Industry.	COI, R. 5776/36

Social and Cultural Affairs

Royal Assent: *National Insurance (Old Persons' and Widows' Pensions and Attendance Allowance) Bill* [see 17.7.70 p. 673]. *Education (Handicapped Children) Bill*, transferring responsibility for mentally handicapped children from the Department of Health and Social Security to the Department of Education and Science.	*Hansard*, 23.7.70 col. 759
Broadcasting Inquiry. The independent inquiry into the future of broadcasting [see 5.6.70 p. 556] is to be discontinued. Mr. Christopher Chataway, Minister of Posts and Telecommunications, stated that he was inviting the Television Advisory Committee to make a study of the main technical questions and to report to him. He would then consider whether an inquiry into the structure of broadcasting after 1976 was desirable.	*Hansard*, 23.7.70 written answers col. 189
Report of the Race Relations Board for 1969-70 (see pp. 745-6).	HMSO, 7s

Ancient Monuments Board for Wales. Report for 1969.	HMSO, 2s
Tayside: Potential for Development. A study setting out guidelines for the possible future development of the Tayside region of Scotland. It concludes that the region could accommodate a considerable growth in population and industry while providing first-class living conditions and conserving and enhancing the high quality of the environment. The study was commissioned by the Secretary of State for Scotland and carried out by a joint team from the Scottish Development Department and Dundee University.	HMSO, 75s
BBC Local Radio Stations. The Minister of Posts and Telecommunications has announced that the BBC is to proceed in setting up 12 further local radio stations, in addition to the 8 already in service. For the present all 20 stations will operate only on VHF.	Press release MPT 6.8.70
London's Housing Needs up to 1974. Report No. 3 of the Standing Working Party on London Housing. The report predicts that the total shortage of satisfactory housing in London will decline from 550,000 dwellings (a 27 per cent deficit) in 1969 to 336,000 (a 13 per cent deficit) in 1974. While most outer-London boroughs should be near to achieving balance in the demand and supply of housing by 1974, many inner-London boroughs are expected to have a persisting housing shortage.	MHLG, 6s
Staff Development and In-Service Study for the Staff of Children's Departments. Memorandum prepared by the Central Training Council in Child Care.	Home Office, free

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Contents

Northern Ireland

RECENT EVENTS

In Northern Ireland the first week of August was marked by further violence, including a series of explosions and attacks on troops by groups from the Catholic areas of Belfast and Londonderry, using petrol bombs and other missiles. On 11th August two constables of the Royal Ulster Constabulary (RUC) were killed by a booby trap in an abandoned car in County Armagh, less than a mile from the border linking the Province with the Irish Republic Subsequently it was announced from Stormont that the Northern Ireland Government had authorised the sealing of a number of unapproved cross-border roads to ease the task of the security forces. The main heavily used cross-border roads would not be affected

Politically there was speculation about the future of the Northern Ireland Government. Unionist and Protestant organisations expressed strong resentment at the six-months' ban on processions [see 31 7 70 p 687], and opponents of the Government in the Northern Ireland Parliament, including Mr. William Craig, a former Minister of Home Affairs, and the Rev Ian Paisley (who is also a member of the United Kingdom Parliament), called for changes in policy and leadership Much of the criticism was directed against the disarming of the RUC and the disbanding of the 'B' Specials [see 10 4 70 p 390] which, it was alleged, had led to a serious deterioration in law and order

British Home Secretary's Statement

On 10th August the British Home Secretary, Mr Reginald Maudling, made the following statement

The situation in Northern Ireland is full of dangers, but I am convinced that, given good sense on the part of all who live there and particularly those who exercise responsibilities of leadership in their various fields, the dangers can be surmounted. There can be no doubt that the vast majority of citizens wish only to live in peace, to see their country prosper and their children grow up in an atmosphere of commonsense and fair dealing. But for this purpose some things must be clearly understood.

'The use of violence on the streets will do no good to anyone. Indeed it will only bring widespread suffering.

'Succeeding British governments have made it clear that Northern Ireland will not cease to be part of the United Kingdom without the consent of the people of Northern Ireland.

'Real progress has been made and is being made to establish a stable social order in Northern Ireland and this has been the work of the Parliament and Government of Northern Ireland. To go back on what has been done or depart from the ideals of impartiality and reconciliation that lie at the heart of the policies of Her Majesty's Government and the Government of Northern Ireland would endanger the present constitutional arrangements under which Northern Ireland governs its own affairs.'

Northern Ireland Governments Statements

At a press conference on 11th August Northern Ireland's Prime Minister, Major Chichester-Clark, said that Mr. Maudling's statement was extremely important in that it made clear what the real issues for Northern Ireland were. But in his view, direct rule from London would create more problems than it would solve, and might provoke a violent reaction from the Protestant population.

Also on 11th August it was announced, after a meeting of the Northern Ireland Cabinet, that 'all members of the Cabinet and Government will continue in firm support of Major James Chichester-Clark as Prime Minister in pursuance of the policies to which they are collectively committed and for which they have had the continuing mandate of the Unionist Parliamentary Party and indeed of Parliament as a whole.'

On the matter of rearming the police, the Northern Ireland Ministry of Home Affairs issued a statement on 18th August to reassure the public that the Government was not considering such a move. Referring to the 'misunderstanding that persists on the question of rearming the Royal Ulster Constabulary' the statement said that it was important that the Government's precise position should be made clear. It continued: 'The Hunt Committee [see 7.11.69 p. 980] recommended, and the Government accepted, that normally arms should cease to be carried by members of the force. At the same time they recognised that circumstances existed in some areas in which it would be essential for certain police personnel to be armed and they recommended that revolvers, rifles, gas pistols and grenades should be available at selected stations. These arrangements have been made and the appropriate proportion of the RUC will continue to be trained in the use of firearms.'

On 25th August the chief constable of the RUC, Sir Arthur Young, announced the setting up on a standing advisory committee on arms to look into the question of the best way of making weapons available to the RUC on a basis similar to that which applies in police forces in Great Britain. The committee has ten members consisting of members of the RUC and the chairman and secretary of Northern Ireland's Central Police Representative Body; it is headed by a chief superintendent.

Apprentice Boys' Celebrations

The Apprentice Boys' celebrations at Londonderry,[1] organised by the Londonderry branch of the Protestant Unionist Association and traditionally held on 12th August, passed without major incident. Because of the ban on processions, the customary parade through the streets, which last year gave rise to serious rioting, was replaced by a static rally and this was effectively controlled by the security forces.

Troops and Police Help in Flood Emergency

Severe flooding in Belfast, Londonderry and other areas followed twelve hours of rain and high winds on the night of 15th August. British troops—together with the RUC—went to the help of the people, evacuating those trapped in their houses by floodwater, building sandbag defences, clearing up homes and providing hot meals. Army helicopters helped to direct operations. Emergency relief measures were approved by the Northern Ireland Cabinet, which thanked the Army and the RUC for their help, as did many private citizens both Protestant and Catholic.

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[1] Held to commemorate the raising of the siege of Londonderry in 1689. The name derives from the action of 13 apprentices who, in December 1688, shut the Ferryquay Gate, thus denying access to the city to the invading troops of the Catholic King, James II.

Law and Order

PROPOSALS FOR SMALL CLAIMS COURTS

A recommendation that small claims courts should be established as special divisions in the county courts to provide justice for claims up to £100 was made in a study published under the title *Justice Out of Reach*[1] by the Consumer Council[2] on 12th August. These courts should, it is suggested, be run informally in an office or meeting room, and not in a courtroom; the claims should be filed by means of a simple form, with help from court staff where necessary, there should be a low court fee of between 10s and £2; the hearing should be by a county court registrar or appointed arbitrator, and, at the hearing, people should tell their stories in their own words and the registrar should be allowed to question them to elicit the facts he needed to make a decision.

Present Position

At present, in the view of the Consumer Council, individuals with sound legal claims could not get justice, because of the high cost involved. Surveys carried out by the council showed that solicitors almost invariably advised their clients against going to court where the amount of money in dispute was less than £100; that individuals rarely used the county courts for any type of claim, and never for the purpose of suing for compensation for faulty goods; and that although people could, as a rule, manage simple debt claims without the help of a lawyer, the majority were not competent to present a more complicated case according to proper court procedures, without assistance.

Proposed Procedure

According to the council's proposals, a small claims court would have some powers to look into the facts of cases itself, but where appropriate a hearing could be dispensed with and cases decided on documents and written submissions. The registrar would have power to call for evidence, or to ask a court staff member to investigate a case further where he saw fit. The cost of investigation would usually be met out of public money but, to discourage vexatious use of the courts, the registrar should have power to direct that a party who had behaved irresponsibly should pay the cost.

Businesses should not be permitted to sue in the small claims courts because, in the view of the council, if their presence there became habitual the courts would no longer have the informal atmosphere essential if they were to be used by ordinary people with small claims. On the other hand, the courts would not be for consumers alone, but would have jurisdiction in most types of claim up to £100—for instance, claims for accident damage to a car; a tenant's action against a landlord for failing to do repairs; or an individual landlord claiming delapidations from a tenant. Formal legal representations should not be permitted—the essence of the system being informal discussion of the problem between both sides to a dispute with the registrar acting as an independent arbitrator.

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[1] HMSO, 4s 6d.

[2] A body set up in 1963 to concern itself with and promote the consumer's interests, and financed by grant-in-aid from the Board of Trade (for an account of its work see p. 776).

Arms Control and Disarmament

BRITISH POLICY

A speech by the Marquess of Lothian, Under-Secretary of State for Foreign and Commonwealth Affairs with responsibility for arms control and disarmament, to the Conference of the Committee on Disarmament (CCD) in Geneva on 28th July gave an indication of the new British Government's policy in this area and details of progress on some of the subjects which have been under discussion in the committee during its present sessions. These subjects have included the sea bed, chemical and biological warfare, a comprehensive test ban, a cut-off in production of fissile material, and the question of the committee's future work.

In his introductory remarks Lord Lothian said that the British Government intended to continue to play an active and constructive role in the committee's work, aiming, as in the past, for agreement on realistic and practical measures of both arms control and disarmament. ' Despite the committee's title, ' he said, ' we believe that we cannot confine our attention to disarmament in the strict sense of the reduction of arms, but must accord due and full weight to the control of armaments as well. Indeed, we see arms control and disarmament measures as having the common overall objective of improving security for all, at, if possible, a lower economic cost.

' My Government shares with other Governments represented here the desire to reach an ultimate state of general and complete disarmament, under effective international control in a peaceful world. But we are not going to bring this about overnight. It will inevitably be a slow process, and we must meanwhile consider all possible steps, however limited they may at first sight appear, which could take us in the right direction.' Mentioning the United Nations' resolution[1] calling for the committee to work out a comprehensive programme for disarmament, Lord Lothian said that he hoped that it would be possible to mark the first year of the Disarmament Decade [see 10.4.70 p. 341] by agreeing the contents of a programme for the committee's future work. ' But I believe it is essential that we should take a practical and down-to-earth approach to our work in this committee and avoid setting rigid timetables. The best course is to concentrate our attention on the steps that are most urgently needed and most clearly within reach.' The committee had recently come to concern itself with the ' hard facts of national security interests ', and with their convergence: Lord Lothian felt that this development would improve the committee's effectiveness as a negotiating body.

Lord Lothian went on to discuss a number of the topics under discussion in the Geneva negotiations.

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[1] A resolution of the twenty-fourth session of the General Assembly [see 10.4.70 p. 341]. The resolution requested the CCD to work out ' a comprehensive programme dealing with all aspects of the problem of the cessation of the arms race and general and complete disarmament under effective international control which would provide the Conference with a guideline to chart the course of its further work and its negotiations '. The Committee has been discussing the question and will report to the next General Assembly session.

The Non-Proliferation Treaty

Describing the Non-Proliferation Treaty (NPT) as a ' prime achievement ' of the Geneva disarmament negotiations, Lord Lothian said that Britain, as one of the depository Powers, felt a special concern for the progress of the treaty [see 27.3.70 p. 305] Although it had been ratified by some 54 states, there were still difficulties to overcome in its implementation on a world-wide basis. Lord Lothian said that the 42 signatory states which had not yet ratified the treaty, and the 30 states which had not yet signed it must be encouraged to become parties to the treaty, ' for without the full participation of the near-nuclear states, the treaty risks becoming an empty document. For this reason we welcome the establishment of a Safeguards Committee within the International Atomic Energy Agency in Vienna, and the efforts that the committee is making to formulate the contents of safeguards agreements required in connection with the treaty [Article 3, see 5.7 68 pp 623-7]. Only by thorough examination of the problems connected with safeguards, and by dispelling the suspicions in some countries that the treaty discriminates against them, can we convince these countries that the treaty, by preventing the diversion of resources to nuclear weapons, will promote peaceful nuclear activities throughout the world '

Strategic Arms Limitation Talks

An essential complementary need to the NPT was to demonstrate that the nuclear weapon states were carrying out their obligation (in Article 6 of the NPT) to undertake negotiations in good faith to put an end to the arms race. It is only realistic to recognise that a very special responsibility in this connection rests with the United States and the Soviet Union. Progress in nuclear disarmament must initially depend on bilateral understanding between these countries. We are therefore encouraged by the signs of progress in the strategic arms limitation talks (SALT) in Vienna. The confidential nature of the talks, and the absence of propaganda, must surely indicate that we can look forward to a positive result. I am sure that we all recognise the great problems that face the super-Powers. But while it would be wrong to expect rapid agreement, we have no doubt that these talks offer the best hopes of limiting the nuclear arms race and opening the way for further progress in the field of nuclear arms control and disarmament. The successful outcome of these talks would mark a most significant advance in building international confidence and provide a new impetus to our continuing work here in Geneva.' If SALT were to become a continuing negotiation, there would then be two bodies, one bilateral and the other multinational, and the work of the one could complement the work of the other fruitfully

Sea Bed

Lord Lothian turned to the question of an arms control agreement for the sea bed The United States and the Soviet Union, the CCD's co-chairmen, had earlier in the year submitted a revised draft treaty to the committee [see 5.6.70 pp 534-5]; Lord Lothian welcomed the draft, endorsing ' the aim of banning nuclear weapons and other weapons of mass destruction from the sea bed beyond a twelve-mile coastal zone '. The British delegation had suggested some possible improvements to the draft; Lord Lothian asked the co-chairmen to take these into consideration, and went on to discuss some elements of the draft in detail. ' We believe, however, that all the main elements of a thoroughly worthwhile and timely agreement are now present in the draft. We consider that the reference to further negotiations towards the exclusion of the sea bed from the arms race, in paragraph three of the preamble, is an adequate reminder of the goal to which we all aspire, particularly when it is taken together with the provisions of Article VI for a review conference. As to other points which have been raised by

delegations this session, my Government too would welcome a reference in Article III to international good offices [a Canadian suggestion], if an appropriate and widely acceptable formulation can be found. With respect to the law of the sea questions, to which a number of delegations have referred, I should make it clear that where the effect of suggestions made in this committee is to clarify the meaning of the text, they have our full support. Our underlying attitude, however, is that where the draft treaty may be held to touch on law of the sea questions, the wording should be as uncontentious as possible, so as not to prejudge issues that may have to be dealt with in another forum.' Lord Lothian hoped that an acceptable draft could be forwarded to the twenty-fifth UN General Assembly

Chemical and Biological Warfare

Turning to the question of chemical and biological warfare (CBW), Lord Lothian reaffirmed the British Government's determination to work for the strengthening of the Geneva Protocol, which was regarded as the cornerstone of the Government's efforts in the CBW field. This strengthening could best be achieved, Lord Lothian said, by working towards a convention banning the production, possession and use of biological methods of warfare on the basis of the draft tabled by Britain in July 1969 [see 1.8.69 pp. 647-50]. ' With the specific inclusion of toxins [see 5.6.70 p. 535], which we accepted formally on 16th July, it represents a viable basis for an agreement lying within our grasp now, dealing, as it does, in a comprehensive manner, with a clear and self-contained category of weapons and agents Such a soundly-based agreement could only serve to strengthen the Geneva Protocol and prepare the way for further measures in the CBW field '

As regards these further measures Lord Lothian said that the British Government, while recognising the difficulties of an agreement to deal with chemical warfare, was equally determined to progress here ' However, I am bound to say that in my view the length of the path we have to tread towards measures to deal with chemical warfare presents no logical reason for delaying the opportunity of reaching agreement on biological methods of warfare until such time as we are sufficiently far advanced to be able to deal with chemical weapons at the same time.'

Comprehensive Test Ban

Referring to the 1963 Partial Nuclear Test Ban Treaty, Lord Lothian affirmed that the ' negotiation of an adequately verified comprehensive nuclear test ban treaty, and the cessation of all nuclear test explosions for weapons purposes, in all environments and by all countries, remains high among the aims of the present British Government '. However, further progress towards a comprehensive test ban treaty depended to a considerable extent on the kind of agreement emerging from the strategic arms limitation talks. In the meantime the committee could do valuable work in considering the form a possible treaty might take and in further discussion of the complex problems of verification. Lord Lothian reminded the committee of the British proposal of 1968 [see 19.12.69 pp. 1095-6] for an agreement on a quota of nuclear tests on a descending scale. Although this was a secondary measure, the British Government felt it could be a very useful one. ' It could be of particular value in a situation where a comprehensive test ban had been reached in principle, but the super-Powers were not yet ready to accept the immediate suspension of all tests. '

There remained the difficult problems of seismic detection and identification, on which Britain and other countries were continuing to work. In this respect Lord Lothian drew attention to a working paper circulated in the committee by Britain in August 1969 describing the work of British scientists in this

field. The paper reached the conclusion that the next step might be a detailed study of the ways and means of deploying an operational system based on new techniques in order to achieve the enhanced identification predicted by the report of the Stockholm International Peace Research Institute (SIPRI) seismic study group in 1968. Lord Lothian continued: 'There is increasing interest in the international exchange of seismic data as an aid to verification of a comprehensive test ban treaty Replies to the Secretary-General's inquiry called for in General Assembly resolution 2604A (XXIV) [see 19.12.69 p. 1095 and 10.4.70 p 341) will enable a comprehensive review to be made of the present status of seismic monitoring of underground nuclear events. In the meantime, the scientists of the UK Atomic Energy Authority, as a contribution to such a review, have carried out a study aimed at determining what detection and identification capability could now be achieved in support of a comprehensive test ban treaty, at what cost, and on what timescale. Their work is embodied in a working paper which I have pleasure in laying before the committee today This study has not, of course, attempted to take into account the replies to the Secretary-General's inquiry. The paper is an attempt to demonstrate on an illustrative basis how the SIPRI prediction might be achieved in practice. It is a practical study: every technique described in it is one which we know to be possible, and we have not drawn upon research and development techniques which are not yet proven. I believe this paper, together with its glossary of seismic terms in the context of the test ban, will help to give purpose to our discussions of this almost intractable problem '

Conclusion

Reminding the committee of the wider background to its work, Lord Lothian concluded by expressing the British Government's desire to negotiate agreements that will improve world security. ' Arms control and disarmament are an integral part of national and international security, and of all our defence and political thinking. The prospects for strengthening international peace and security look more hopeful now than they have for some time, and the work of this committee and the mutual confidence established here in the 1960s, have played their part in the brighter prospect I look forward to contributing to the negotiation in the committee of agreements which will effectively improve world security in the years ahead '

German-Soviet Relations

NON-AGGRESSION TREATY

A non-aggression treaty between the Federal Republic of Germany and the Soviet Union was signed in Moscow on 12th August by the Chancellor of the Federal Republic of Germany, Herr Willy Brandt, and the Soviet Prime Minister, Mr Alexei Kosygin, and by the Foreign Ministers of the two countries. The treaty comes into force upon ratification.

Following discussions between the Ambassador of the Federal Republic of Germany and the Soviet Foreign Minister [see 16.1.70 p. 61], preparatory talks between representatives of the two Governments on the conclusion of an agreement on the mutual renunciation of force began in Moscow on 30th January [see 10.4.70 p. 358]. The Soviet Government representatives were led by the Foreign Minister, Mr. Andrei Gromyko, and the German delegation by the State Secretary at the Office of the Federal Chancellor, Herr Egon Bahr. On 26th July the Foreign Minister of the Federal Republic, Herr Walter Scheel,

flew to Moscow for negotiations with the Soviet Foreign Minister on the final form of the agreement. These talks continued until 7th August, when the two Foreign Ministers initialled the final text, which was published following its signature on 12th August.

The Text of the Treaty and Related Documents

The following is a translation of the text of the preamble to the treaty and its five operative articles is as follows:

The high contracting parties, anxious to contribute to strengthening peace and security in Europe and the world,

Convinced that peaceful co-operation among states on the basis of the purposes and principles of the Charter of the United Nations complies with the ardent desire of nations and the general interests of international peace,

Appreciating the fact that the agreed measures previously implemented by them, in particular the conclusion of the agreement of 13th September 1955 on the establishment of diplomatic relations, have created favourable conditions for new important steps destined to develop further and to strengthen their mutual relations,

Desiring to lend expression, in the form of a Treaty, to their determination to improve and extend co-operation between them, including economic relations as well as scientific, technological and cultural contacts, in the interest of both states,

Have agreed as follows.

ARTICLE 1: The Federal Republic of Germany and the Union of Soviet Socialist Republics consider it an important objective of their policies to maintain international peace and achieve *détente*.

They affirm their endeavour to further the normalisation of the situation in Europe and the development of peaceful relations among all European states, and in so doing proceed from the actual situation existing in this region

ARTICLE 2: The Federal Republic of Germany and the Union of Soviet Socialist Republics shall in their mutual relations as well as in matters of ensuring European and international security be guided by the purposes and principles embodied in the Charter of the United Nations. Accordingly they shall settle their disputes exclusively by peaceful means and undertake to refrain from the threat or use of force, pursuant to Article 2 of the Charter of the United Nations, in any matters affecting security in Europe or international security as well as in their mutual relations.

ARTICLE 3: In accordance with the foregoing purposes and principles the Federal Republic of Germany and the Union of Soviet Socialist Republics share the realisation that peace can only be maintained in Europe if nobody disturbs the present frontiers.

They undertake to respect without restriction the territorial integrity of all states in Europe within their present frontiers,

They declare that they have no territorial claims against anybody nor will assert such claims in the future,

They regard today and shall in future regard the frontiers of all states in Europe as inviolable such as they are on the date of signature of the present Treaty, including the Oder-Neisse, line which forms the western frontier of the People's Republic of Poland, and the frontier between the Federal Republic of Germany and the German Democratic Republic.

ARTICLE 4: The present Treaty between the Federal Republic of Germany and the Union of Soviet Socialist Republics shall not affect any bilateral or multilateral treaties or arrangements previously concluded by them

ARTICLE 5: The present Treaty is subject to ratification and shall enter into force on the date of exchange of the instruments of ratification which shall take place in Bonn

The text of an accompanying ' letter on German unity ' from Herr Scheel to Mr. Gromyko was made public at the same time as the treaty, it read as follows: ' In connection with today's signature of the Treaty between the Federal Republic of Germany and the Union of Soviet Socialist Republics, the Government of the Federal Republic of Germany has the honour to state that this Treaty does not conflict with the political objective of the Federal Republic of Germany to work for a state of peace in Europe in which the German nation will recover its unity in free self-determination '.

In a Note sent by the Embassy of the Federal Republic in Moscow to the Embassies of Britain, France and the United States and published at the same time as the treaty, the Federal Government stated: ' Since a peace settlement is still outstanding, both sides proceeded on the understanding that the proposed treaty does not affect the rights and responsibilities of [the four former occupying Powers]. The Federal Minister of Foreign Affairs has in this connection declared to the Soviet Foreign Minister on 6th August 1970: " The question of the rights of the four Powers is in no way connected with the treaty . . . and will not be affected by it." The Foreign Minister of the USSR thereupon made the following declaration " The question of the rights of the four Powers was not the subject of negotiations with the Federal Republic of Germany The Soviet Government proceeded on the understanding that this question should not be discussed. Nor will the question of the rights of the four Powers be affected by the treaty. This is the position of the Soviet Government regarding this question." '

Statement by Federal Chancellor

In a television broadcast to the people of the Federal Republic, relayed from Moscow on the evening of 12th August, Herr Brandt said that the treaty must be considered soberly, though it gave reason for ' satisfaction and fresh hope ' and was ' a decisive step towards improvement of our relations with the Soviet Union and our Eastern neighbours, twenty-five years after the catastrophe which took such a frightful toll, in the East even more than in the West. It is in the interests of the whole of the German people for us to improve our relationship with the Soviet Union, which is not only one of the major Powers but also carries its share of the special responsibility for Germany as a whole and for Berlin. '

Recalling that nine years had elapsed since the building of the Berlin wall, Herr Brandt expressed the ' confident hope ' that ' we have today started to work against that division, so that . . . the partition of our people may one day I hope be overcome '.

He went on to speak of Russia in the context of Europe, ' inextricably woven into the pattern of European history, not only as an enemy and a threat but also as a partner--historically, politically, culturally and economically. Only when we in Western Europe take this partnership seriously, and when the people of Eastern Europe realise this, shall we be able to reconcile our interests.

' With this treaty nothing is lost which has not long been gambled away. This treaty in no way loosens the firm links of the Federal Republic, and its free society, with the Western alliance, and the enduring partnership with the United States remains preserved in the same way as the reconciliation with France.'

Statement by the Soviet Prime Minister

In a speech made at a dinner given at the Kremlin on the evening of 12th August the Soviet Prime Minister, Mr. Kosygin, stressed the importance of the signature of the treaty. The two governments had taken on serious obligations and great responsibilities. Loyalty to the treaty and its accordant implementation would be an important element in the preservation of stability and peace of the continent of Europe. Mr. Kosygin looked forward to 'practical steps' aimed at further improving Soviet-German relations in various fields

Britain Welcomes the Treaty

A statement issued by the British Foreign and Commonwealth Office on 7th August welcomed the treaty, saying that: 'This is a most important development in the context of improving East-West relations, and may be regarded as a first step along this difficult road towards resolution of some of the major outstanding problems which divide Europe. The British Government has been in close touch both with the Federal Government and with the United States and French Governments throughout the negotiation of this treaty, in view of their position as one of the four Powers with special responsibilities for Germany as a whole and Berlin. These responsibilities cannot, of course, be affected by the treaty.'

Statement by the United States

In a press statement the US State Department expressed satisfaction at the signing of the treaty and reiterated the 'confidence and support' of the United States Government for the Federal Republic's efforts to reach new understandings with its Eastern European neighbours. After referring to the Federal Republic's consultations with the Western allies and the exchange of Notes affirming that the treaty did not affect the continuing rights and responsibilities of the four Powers in Berlin and Germany as a whole, the statement continued 'The United States shares the hope of the Federal Republic that its new treaty with the Soviet Union is but a first step in a process that will lead to an improved situation in Europe. We would hope that one of the next steps would be tangible evidence of Soviet co-operation toward bringing about substantial practical improvements for the people of Berlin.'

See COI reference pamphlet *Berlin and the Problem of German Reunification*, RF.P. 5869, of December 1969, for earlier background on German-Soviet relations.]

Britain's Overseas Trade

FIGURES FOR FIRST HALF OF 1970

Figures issued by the Board of Trade (*Board of Trade Journal* 22.7.70 and 5.8.70) show that the total of United Kingdom exports[1] in the first half of 1970 was £399 million higher than the figure for the first six months of 1969; for the same periods imports were £285 million higher in 1970, thus reducing the visible trade deficit from an average of £37 million per month in the first half of 1969 to an average of £8 million per month in the corresponding period of 1970. Compared with the second half of 1969 exports have grown only moderately while imports have risen appreciably. Largely reflecting the rise in imports the visible trade balance in the second quarter of 1970 was in deficit by £27 million a month after a surplus averaging £11 million a month in the first quarter

Exports

Exports in the first half of 1970 totalled £3,954 million, giving a seasonally-adjusted monthly average value of £659 million. As a result of higher prices the value of exports in the second quarter of the year at an average of £662 million a month was about 1 per cent higher than in the first quarter. The volume of

TABLE I

UNITED KINGDOM TRADE 1968-70* — *£ million per month*

	Exports† (f o b)	Imports‡ (c i f)	Trade balances§
1968	547	658	44
1969	615	694	− 8
1968 1st half	524	645	−56
2nd half	570	672	34
1969 1st half	593	688	25
2nd half	638	699	+ 9
1970 1st half	659	736	− 8

* Seasonally adjusted

† Including re exports

‡ Including purchase of US military aircraft, etc.

§ Excluding transactions relating to US military aircraft but including adjustments for special factors affecting the recording of exports

[1] Including re-exports and allowing for adjustments for special factors affecting the recording of exports

exports in the second quarter continued at the high level reached in the previous three quarters and was considerably higher than the levels reached in either of the first two quarters of 1969. The rate of growth during 1970 has slowed down, partly because of markedly lower exports to North America (shipments having fallen by 8 per cent between the first and second quarters) and partly because of the reduction in the rate of expansion of world trade during the period.

Exports to Western Europe have continued at a high level and increased in value by 4 per cent between the first and second quarters of the year although the growth in volume has slowed down greatly in comparison with the rapid increase during 1969. Exports to EFTA rose by over 6 per cent in the first quarter and by 4 per cent in the second quarter mainly as a result of exceptionally large increases in deliveries to Sweden. Exports to the EEC rose by 3 per cent

TABLE 2

TRADE BY AREA 1969-70*

£ million per month

	1969				1970	
	Year	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
EXPORTS (f.o.b.)†						
Non-sterling area:						
North America . .	102	104	109	102	107	98
Latin America .	21	20	20	24	23	24
Western Europe	239	229	253	257	262	272
EEC	127	121	133	139	139	144
EFTA .	90	87	95	96	102	106
Soviet Union and Eastern Europe .	19	17	20	21	23	22
Rest of world . .	60	57	61	64	63	62
Sterling area . .	170	169	173	181	180	184
TOTAL . .	611	596	637	648	656	662
IMPORTS (c.i.f.)						
Non-sterling area:						
Western Europe .	253	250	251	260	269	279
North America‡ .	136	155	138	131	146	167
Latin America . .	30	28	31	29	26	29
Soviet Union and Eastern Europe . .	28	27	28	25	28	30
Rest of world	47	46	49	49	46	48
Sterling area	201	193	201	204	202	205
TOTAL . . .	694	700	696	701	714	758

* Seasonally adjusted.

† Including re-exports

‡ Including US military aircraft.

TABLE 3

TRADE BY COMMODITY 1969-70*

£ million per month

	1969				1970	
	Year	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
EXPORTS (f.o.b.)†						
Food, beverages and tobacco	38	39	39	41	41	41
Basic materials	21	21	21	21	22	23
Fuels	14	14	14	15	16	16
Manufactures	521	507	547	552	555	562
Machinery and transport equipment	252	248	263	268	270	267
Machinery	162	156	168	178	178	178
Road motor vehicles	66	66	70	66	70	67
Other transport equipment	24	26	25	24	22	22
Chemicals	58	56	60	62	63	64
Metals and miscellaneous metal manufactures	70	65	72	79	80	83
Textiles	30	30	31	32	33	33
Other manufactures	110	107	115	115	115	112
Miscellaneous	17	16	17	18	21	22
Total	611	596	637	648	656	662
IMPORTS (c.i.f.)						
Food, beverages and tobacco	161	169	157	158	168	171
Fuels	76	73	72	78	74	73
Industrial materials	296	291	304	303	309	332
Basic materials	105	104	106	105	107	118
Chemicals	39	40	39	40	43	44
Other semi-manufactures	153	148	160	158	159	171
Finished manufactures‡ ..	153	160	153	156	155	170
Miscellaneous	7	8	7	7	9	10
Total	694	700	696	701	714	758
TOTAL excluding US military aircraft, etc. .	678	678	680	693	712	755

* Seasonally adjusted

† Including re-exports.

‡ Including US military aircraft, etc.

between the two quarters with the largest increases being in shipments to Italy (9 per cent), the Federal Republic of Germany (6 per cent) and France (4 per cent).

To the sterling area exports fell slightly in the first quarter of 1970 but in the second quarter rose by 3 per cent, mainly reflecting higher prices; deliveries to the Commonwealth Asian countries, particularly India and Malaysia, grew sharply. Exports to the non-sterling area as a whole grew by some 5 per cent between the first two quarters, the largest increase being 15 per cent in deliveries to Japan where the economy continues to expand at a very rapid rate.

Exports of manufactured goods were little changed from their level during the second half of 1969; between the first and second quarters of 1970 there was a slight decrease in the volume of deliveries. Exports of machinery showed little change but exports of road motor vehicles fell by 4 per cent. Chemical exports rose by 2 per cent in value and 1 per cent in volume; textile exports were also slightly higher and exports of metals and metal manufactures rose by 4 per cent

Imports

Imports totalled £4,416 million in the first half of the year, equivalent to a monthly average, seasonally adjusted, of £736 million. The large rise since the second half of 1969 was due partly to exceptional increases in arrivals from Canada following strikes there and partly to the arrival of three Boeing 747 aircraft during the second quarter of 1970 Between the first and second quarter imports rose in value by some 6 per cent to an average of £755 million a month More than half of the rise in imports between the two quarters was in industrial materials with basic materials (£10 million a month higher) and semi-manufactures (£12 million) contributing about equally to the increase. There were marked increases in imports of timber, metal ores and non-ferrous metals, largely reflecting the recovery in imports from Canada. Imports of finished manufactures rose by £14 million a month (9 per cent) in the second quarter; of the increase £9 million a month represented the arrival of the three 747 aircraft Arrivals of ships and other aircraft were lower but imports of machinery and road motor vehicles increased between the two quarters. Imports of food, beverages and tobacco rose by over 6 per cent in the first quarter to £168 million a month and by 2 per cent to £171 million a month in the second quarter. Most of the rise was in deliveries of food, particularly in June when arrivals of this group of imports rose from £164 million to £183 million, possibly as a result of a build-up of food stocks in advance of the British dock strike.

Consulting Engineers

WORK OVERSEAS

The amount of work done overseas by British consulting engineers has been increasing rapidly. The value of the work for which members of the Association of Consulting Engineers were responsible rose from £550 million in 1956 to £1,726 million in 1969. Members of the association are drawn from all the main engineering specialisations, and are required to belong to the most senior grade of membership of the relevant engineering institution and to offer proof of substantial experience in practice. To preserve impartiality members are not allowed to have interests in any manufacturing or contracting business which could possibly affect their judgment. Some examples of the great variety of work carried out by members of the association overseas are given below. In many cases, financial assistance for these schemes has been provided by the World

The Bosporus Bridge

Freeman Fox (who designed the Severn road bridge in Britain) have designed and are to supervise the building of the £14 million Bosporus Bridge which will link Europe and Asia Minor. The bridge should be completed in about three years' time, and is to have an aerofoil box deck similar to that of the Severn bridge, a main span of 3,520 feet and side spans supported on piers rather than by cables. The Cleveland Bridge and Engineering Company of Darlington is a member of the international construction team and will build the superstructure.

Hong Kong

Kennedy and Donkin are engaged, together with Freeman Fox and Partners, in planning a rapid transit system for the Hong Kong conurbation, which consists of an area on the northern shore of the island and another on the mainland separated by Victoria Harbour. Owing to the mountainous nature of most of the territory some 80 per cent of the population and most economic activities are concentrated into 29 of the total 398 square miles, together with the vast increase in population to the current 3.5 million, this has greatly stimulated the demand for efficient public transport systems.

The Hong Kong cross-harbour road tunnel scheme has been entrusted to Scott Wilson Kirkpatrick and Partners in association with Freeman Fox, and will provide a four-lane immersed tube highway tunnel, 6,200 feet between its portals, to cost £18.6 million. The construction work is to be carried out by an international consortium including Costain International. Redpath Dorman Long are providing the steelwork for the tube, and much of the finance will be provided by a loan from Lloyds Bank with support from the Export Credits Guarantee Department.

South Africa

In Johannesburg a comprehensive project, the Carlton Centre, including a 50-storey office block, a 30-storey hotel, a 3-storey department store, an exhibition centre and car parks, is proceeding under the supervision of Ove Arup and Partners. The site, in the centre of the city, extends over four blocks and has had to be excavated 90 feet to accommodate the basement and service floors, and a bored pile wall 120 feet deep has been sunk round the perimeter and braced by a pre-stressed concrete grid to allow this to be achieved.

Oscar Faber Rigby and Partners have been appointed civil engineering consultants by one of the major South African cement producers for the extension of their plant in the West Transvaal, which is to cost £8.5 million.

Sir William Halcrow and Partners are engaged in engineering a water tunnel, at 50 miles the longest in the world, to connect the Orange and Fish rivers as part of the Orange Fish Irrigation Project. Construction will cost over £40 million.

Nuclear and Hydro-electric Power and Water Supply

Kennedy and Donkin have been appointed consulting engineers to the Government of the United Arab Republic to study the construction of a dual-purpose nuclear plant which will generate electricity to supplement the supply from the Aswan High Dam and at the same time produce fresh water to reclaim semi-desert land.

In Patagonia, Argentina, Sir Alexander Gibb and Partners have been in charge of the El Chocon Cerros Colorados hydro-electric project, which is to produce initially some 800 MW of power, most of it for the Buenos Aires area via a transmission system 1,100 kilometres long and operating at 500 kV. Merz and McLellan are concerned with the associated mechanical and electrical plant.

Merz and McLellan were also responsible for the feasibility study leading to

the decision to proceed with the second stage of the Kariba Hydro-Elect Project on the Zambian bank of the Zambezi.

Binnie and Partners have been retained by the Ministry of Overseas De lopment to conduct further studies into water supply facilities and long-te water development in the metropolitan area of Bombay, India. The firm have some time been investigating the matter for the State of Maharashtra, and h recommended a scheme involving integration of a new reservoir regulating ri flow with existing sources of supply.

Binnie and Partners (Malaysia) are the consulting engineers for the Ri Muda water scheme for the Government of Penang, a scheme designed augment the supply by 100 million gallons a day by the year 2000. Work h started on the first stage, to cost about £6 million, including a 400ft reinforc concrete barrage, 8½ miles of canal and a treatment works.

Sir Alexander Gibb and Partners are acting as consulting engineers to t New Zealand Ministry of Works for the Tongariro hydro-electric scheme North Island, New Zealand, which involves drawing upon the headwaters large rivers and diverting part of the flow from one major watershed to anoth to augment output from existing hydro-electric power stations and to serve new power station. The first three stages of the scheme are well advanced. T same firm have been instructed by the Botswana Government to start design wo on the Shashi Project, including power and water supplies, roads, a railway and township for a proposed copper mine at Selebi-Pikwe.

Harbours, Bridges and Roads

In 1966, Coode and Partners planned and supervised the blasting a dredging of an approach channel through a coral bar at Qatar in the Gulf make Doha accessible to lighters from ocean-going ships. Between 1967 and 19 they carried out a £3 million project involving further dredging and the buildi of 2,400 feet of deepwater quays. These quays were designed and engineered Coodes to accommodate up to four large ships at one time, were formed 20-ton sliced blockwork with a backing of crushed rock rubble to combi durability with economy in maintenance; and were arranged so that ships wou head into the prevailing shamal wind.

The same firm completed a bridge over the Main Nile in 1966 and are n building a similar bridge, costing £4·5 milion, over the Blue Nile with a tot length of 1,707 feet.

In Malta, Brian Colquhoun and Partners are responsible for the constru tion of two prestressed concrete bridges, together to cost about £1 million. Malawi, the same firm have conducted a survey and feasibility study includi economic appraisal of an 180-mile spine road from Blantyre to the site of t new capital at Lilongwe. The road is now being built at a cost of about £4 million.

The Crown Agents

REPORT FOR 1969

The work of the Crown Agents for Oversea Governments and Administration during 1969 is reviewed in their annual report which was published in June 197

Although the Crown Agents, which were founded in 1833, are a publ service, their office is not a department of the British Government, nor are the staff British civil servants. Activities extend far outside Britain, the Crow Agents being financial and commercial agents for about 80 governments as w

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4 Millbank, London SW1

as for a large number of overseas and international public bodies. Their services are available to any government or organisation in public fields such as railways, electricity, education or banking, but they do not act for individuals or for private concerns.

Main services are: buying, shipping and insuring stores, materials, plant and equipment, and their technical inspection; negotiating contracts for the design, production and supply of currency notes, coins and postage stamps; providing specialist advice and assistance (particularly in the field of engineering); financial and banking services such as fund management and credit finance; and such services as personnel recruitment. In order to provide these services the Crown Agents maintain a large staff both in Britain and in their overseas offices. Recently, they have taken a financial and management interest in various specialised undertakings such as merchant banks and finance houses to supplement their own expertise, besides setting up consultancy services for railway projects and for establishing earth stations for satellite communications. Of the Crown Agents offices overseas, those in North America, Australia and Japan facilitate their activities in these major manufacturing and financial areas, the others are in their principals' countries where they can give personal advice

During 1969 much of the work continued to be in connection with external development aid. The Crown Agents undertook documentation and accounting for about £29·5 million worth of development loans made by the British Government, the World Bank, and the International Development Association, compared with £25 million in 1968, £7 5 million was in respect of orders placed by the Crown Agents and £22 million for orders by other bodies The report stresses the Crown Agents' willingness to take part in the examination of the problem of providing equipment for development aid, an examination which was recommended by an investigation commissioned by the Governing Council of the United Nations Development Programme [the Jackson Report—see 13.2.70 pp 155-61] It also expresses their willingness to participate in development aid schemes, noting that the possibility of placing official purchasing organisations at the disposal of countries receiving aid should be considered.

The report lists as an especially notable feature of the year an increase in the amount of cargo despatched by air, and stresses a considerable expansion of financial activities in investment areas and in international merchant banking interests. It notes that the level of fixed deposits by principals reached £70 million and that holdings of foreign currency for principals maintained a steady growth. While new orders fell by about 9 per cent, orders placed continued to show a higher proportion of complexity

General Buying

Although the number of orders placed in 1969 fell to 75,922 from 81,341 in 1968, the value of general stores purchased increased from £34 million to £36·5 million 'General stores' are all goods other than engineering equipment, stamps and currency. They include textiles and clothing, drugs and medical dressings, paper, stationery, office supplies, publications and periodicals; medical and scientific equipment, vehicle spares, domestic electric appliances and ironmongery; household stores, paints, livestock, cement, military stores and building materials.

An on-the-spot study of textile manufacturers resulted in an increase in the range of materials bought by the Crown Agents from India, while the Hong Kong inspection office, which was opened during the year, proved most effective in taking advantage of the region's competitive prices and delivery times. The supply of drugs and medical dressings purchased during the year continued at a high rate with a value of more than £4 million; British prices continued to be very competitive and the majority of the supplies came from Britain, but significant

purchases were also made in Australia, Belgium, Denmark, France, the Federal Republic of Germany, Holland, Italy, Switzerland and Yugoslavia.

Civil Engineering

Orders to a value of £8 3 million were placed compared with £7·9 million in 1968. The range of equipment and material included £3·4 million worth of water treatment plant and sewerage equipment much of which went to Nigeria, Hong Kong, and Malaysia. Considerable preliminary work was carried out on the design of railway permanent way schemes, and material for this purpose for use in East Africa, Ceylon, Malaysia, Hong Kong, Nigeria, and Jamaica was ordered to a value of £1 million.

In addition to the normal demand for bridges, buildings and storage tanks, a colour television studio building was ordered by the Crown Agents who also provided a complete living centre for the Royal Society Expedition to Aldabra Island in the Indian Ocean.

Among items of construction plant, a rotary kiln refuse incinerator valued at over £600,000 was ordered to cope with the disposal of 40 tons of refuse per day in Hong Kong.

Electrical Engineering

The level of business was marginally down at £14·5 million, as compared with a figure of £14·7 million in 1968. Orders were placed to a value of about £4·3 million for electrical distribution and associated equipment, most of which was for use in Malaysia, Ceylon, Zambia and Bahrain.

Orders for distribution equipment included two 5,000 kilowatt sets for Sarawak and 69 ten kilowatt sets for Libya which were supplied complete with control equipment and fuel systems for a television microwave link and installed in 22 stations. For telecommunications, external line plant, transmission equipment, and public and private exchange equipment was ordered to the value of £4·3 million, most of it for East Africa, Zambia, Nigeria and Libya There were over £4 million worth of orders in the broadcasting field including such items as television transmitters and airfield radars and instrument landing systems

Mechanical Engineering

Though the value of orders placed was 50 per cent down, at £9 8 million, on 1968's very high figure of £20 million, this did not reflect any corresponding decrease in activity. Among other large orders, the 1968 figure had included the cost of the new supply and research vessel ordered for the British Antarctic Survey, work in connection with which continued throughout 1969.

Besides an increase in the purchase of machine tools and industrial plant which reflected a widespread increase in technical education and industrial training schemes, orders for printing equipment totalled over £530,000, indicating the growing importance of the information services of the Crown Agents' principals.

The value of light aircraft ordered was more than double that of 1968, including two large helicopters costing over £400,000 for Brunei.

Railway Rolling Stock

The value of orders placed was £4·8 million compared with £3·6 million in 1968, projects involving over 200 locomotives and over 1,000 wagons being handled; after world-wide tendering, these orders were placed in Japan and Britain, the vehicles being for use on railways in East Africa, Malaysia, Nigeria, Ghana, and Zambia. Over 5,000 orders were placed for spares to a value of £2·3 million.

Engineering Inspection

Nearly 5,000 contracts were inspected during the year to a total of £28·8 million. The volume of inspection work done outside Britain has made it necessary for the Crown Agents to maintain permanently manned posts in Japan, India, Singapore, Malaysia and the Federal Republic of Germany.

Stamps and Currency

The number of new issues of stamps handled during the year showed an increase over 1968; definitive issues remained almost the same at 30, compared with 29 the previous year, but there were 161 special issues compared with 136 in 1968. Over 1,135 million stamps were produced in 1969 against orders placed by the Crown Agents.

Apart from Bermuda's new dollar currency, the currency notes were new printings of existing currencies. Experiments were made with printing notes on a plastics ' paper ' for use in humid tropical areas. Nine coin issues were put on sale during the year.

Shipping

Tonnage shipping arranged by the Crown Agents amounted to 225,000 tons in 1969, over 61,000 bills of lading being issued. Despatches by scheduled air-freight and air parcel post were in excess of 14,000.

Sixty flights of aircraft carrying full loads were chartered, with a total cargo load of 1,128,000 kilograms, while a total of 46,000 kilograms was despatched in regular weekly charter flights to East and Central Africa.

The volume of business conducted by the Marine Insurance Fund continued at a satisfactory level.

Engineering Advisory Services

Projects carried out included the completion of 150 miles of road in The Gambia and the commencement of 40 miles of new road in Sierra Leone; radio interference tests in Singapore in connection with the new Earth Station; the completion of the broadcasting station in Abu Dhabi and of the workshops in Libya, the design of television development in Western Nigeria, telephone exchange equipment in Gibraltar and water treatment plant in Fiji; the equipping of a conservatoire of music in Libya, and the adjudication of tenders for 33 new telephone exchanges in East Africa.

Of major bridges mentioned in earlier reports, the Pakwach road/railway bridge across the White Nile was opened during the year by the President of Uganda, Dr Obote, and the Uvinza bridge across the Malagarasi River was opened by President Nyerere of Tanzania. In addition, the Kibondo bridge, also across the Malagarasi River, was opened to traffic. Construction of a third bridge in Tanzania continues.

Works managed include the £6 million airport in Brunei and the £5 million new capital of British Honduras, while studies were completed for a railway tariff structure in Zambia, a water resources survey in Nauru and microwave communications in Tunisia.

Finance

The total assets of funds held by the Crown Agents and on behalf of their principals amounted to £860 million by the end of 1969 compared with £817 million in 1968. This rise was due to increased investments and deposits in the Joint Consolidated Fund. Holdings of foreign currency reserves on behalf of principals continue to grow steadily.

In partnership with French, Australian and United States banks, a new merchant banking and finance house based on Perth, Western Australia, known as Westralian International was launched by the Crown Agents. In addition large-scale investment in Australian real estate was planned.

Personnel Services

Recruitment for a large number of overseas government and public bodies in professional and technical fields including the developing area of computer specialisations numbered 720 people, while the work of computerising the whole of the main salary, allotment and pensions payments for staff engaged on behalf of principals is in progress.

Consumer Protection

CONSUMER COUNCIL ANNUAL REPORT

The seventh annual report[1] of the Consumer Council was published on 12th August. The council, which was set up in 1963 and is financed by a grant-in-aid from the Board of Trade, is concerned with the promotion of the consumer's interests in all forms of trade and services in Britain.

After an introduction by the chairman the report goes on to cover the council's activities under eight main headings: the market place; Parliament, reform proposals; health and safety; information, education and advisory services; the Teltag informative labelling scheme; complaints, and international work.

In his foreword to the report the chairman of the council states that, during its existence, the council had carried out inquiries and expressed views on subjects ranging from day-to-day shopping transactions to issues of national policy. The shopping transactions include the prices and packaging of foods, the terms of guarantees, the techniques of promotion offers and shop opening hours. The issues of national policy have included the extent to which the law should intervene to protect the customer (for example, as regards safety of products), the organisation of local government and the National Health Service, and the representation of the consumer interest on bodies which control the nationalised industries or which assess the public interest in the case, for example, of monopolies and mergers.' His statement points out that 'the council has felt that it must find out and speak out about the widest possible range of activities that affect consumers—if it does not, very often the consumer point of view would go by default'; and argues that the Government's grant to the council should be greatly increased.

In a separate pamphlet, published on the same day as the annual report, the council recommends the establishment of new informal courts to handle small claims (see p. 759).

[1] *The Consumer Council—Seventh Annual Report 1969-70* (HMSO, 6s).

Health Services

Some recent developments in the health services are summarised below

Loans to Doctors

During the year ended March 1970 the General Practice Finance Corporation advanced 348 new loans to National Health Service general practitioners for the purchase and modernisation of surgery premises The total sum loaned by the corporation in the year was £1,926,000, bringing the total loaned since the corporation started to accept applications in May 1967 to £5,276,000. These figures are contained in the annual report of the corporation published in July which shows that a large part of the money lent is used by doctors to improve the facilities which they offer to their patients. The balance is used to help doctors to establish themselves in general practice

The corporation was set up at the end of 1966 [see 9.12.66 p. 1285] at the request of the medical profession It makes loans for premises of up to 100 per cent of the total cost at a current rate of interest of 10 per cent.

Doctors' and Dentists' Pay

The Government has decided to award a further pay increase of 5 per cent in addition to the 15 per cent already awarded to hospital doctors and dentists and to general medical and dental practitioners [see 19.6.70 p. 596 and 31 7.70 p 719] In a letter to the British Medical Association and the British Dental Association, Sir Keith Joseph, the Secretary of State for Social Services, said, that in the Government's view an increase of 30 per cent, as recommended by the Review Body on Doctors' and Dentists' Remuneration, would have damaging economic consequences. But it had been decided to settle the pay issue for one year only beginning April 1970 and a new review body would be appointed and would be asked to make a fresh review of doctors' and dentists' pay from April 1971 The recommended increase of 30 per cent was, however, granted to training grades of hospital doctors and dentists in full.

Maternity Services

The unification of maternity services, at present divided among local health authorities, general medical practitioners and hospitals, and the provision of facilities to enable all babies to be born in hospital are among the recommendations of a report *Domiciliary Midwifery and Maternity Bed Needs* published at the end of July. The report is the outcome of a two-year investigation into maternity services by a sub-committee of the Standing Maternity and Midwifery Advisory Committee of the Central Health Services Council under the chairmanship of Sir John Peel.

The other principal long-term recommendations of the report are that the district general hospitals, linked with health centres, should be the focal point for all maternity services, both hospital and domiciliary; that midwives

should be employed by a single authority in each area; that hospital consultants, general practitioners and midwives should work as a team; and that small isolated obstetric units should be replaced by larger combined consultant and general practitioner units in general hospitals.

Background to Recommendations

The report points out that the live birth rate rose from 15 per 1,000 in 1955 to 18·5 per 1,000 in 1964. But since then it has declined to 16·9 per 1,000 in 1968. Over the same period the hospital confinement rate increased from 60 per cent in 1955 to nearly 79 per cent in 1968 and is continuing to rise.

According to the report, the rising hospital confinement rate has had a number of effects on the midwifery services, the most important being that domiciliary midwives are becoming less concerned with patients in labour and increasingly occupied with the post-natal nursing of patients discharged early from hospital: the reduction in domiciliary deliveries in some areas has made it difficult to secure sufficient clinical experience for pupil midwives conducting cases in the district; and in certain areas with a very high hospital confinement rate, the cost of maintaining an efficient domiciliary service has become uneconomic.

Abortion Statistics

A supplement on abortion to the Registrar General's Statistical Review for 1968 contains statistics relating to legally-induced abortions performed in England and Wales during the first eight months of the Abortion Act 1967, that is from April to December 1968. The supplement contains figures on such subjects as marital status, number of previous births, grounds for termination, premises where abortions were carried out and length of stay, occupation group of the woman or her husband, the environmental factors which were taken into account to support the decision to terminate pregnancy and the number of operations accompanied by sterilisation

The introduction to the supplement summarises the provisions of the Act and the circumstances under which an abortion may be performed. It points out that an abortion must be performed by a registered medical practitioner and, except in an emergency, in a National Health Service hospital or a clinic approved for the purpose by the Department of Health and Social Security The abortion must be certified as necessary by two registered medical practitioners on one of the following grounds:

(1) the continuance of the pregnancy would involve risk to the life of the pregnant woman greater than if the pregnancy were terminated;

(2) the continuance of the pregnancy would involve risk of injury to the physical or mental health of the pregnant woman greater than if the pregnancy were terminated;

(3) the continuance of the pregnancy would involve risk of injury to the physical or mental health of any existing children of the family greater than if the pregnancy were terminated;

(4) there is a substantial risk that if the child were born it would suffer from such physical or mental abnormalities as to be seriously handicapped;

(5) to save the life of the pregnant woman, or

(6) to prevent grave permanent injury to the physical or mental health of the pregnant woman.

The Act also provides that in relation to grounds 2 and 3 account may be taken of the pregnant woman's actual or reasonably foreseeable environment.

The tables show that during the period under review 23,641 women had

abortions of whom 11,120 were single, 10,497 were married and 1,945 were widowed, divorced, separated or unclassified. Of the total, 14,560 abortions were carried out in hospitals and 9,030 in other places approved under the Act. By far the largest number of abortions—16,900—were carried out on grounds 2 (above) and 4,185 on grounds 3 alone or in combination with other grounds

More than a quarter of all abortions—6,553—were on women in the 20-24 age group and 553 were on girls under 16. Nearly a third of the married women already had four or more children. Most of the operations were on the intermediate, skilled and semi-skilled occupation groups (intermediate containing, for example, shop proprietors, teachers and technicians) while the professional and unskilled groups were least represented. An analysis of abortions by areas shows that the abortion rate per 1,000 women was 2 9 for the whole of England and Wales but in the south-east (where most of the private clinics are situated) it rose to 4 5. Nearly a quarter (5,128) of all abortions were accompanied by sterilisation.

Vaccination against Rubella

Vaccination against rubella (German measles) is to be offered to girls between their 11th and 14th birthdays, with initial priority for girls aged 13. In a circular to local health authorities the Secretary of State for Social Services asks for arrangements to be made for vaccination to begin as soon as possible in the autumn. The purpose of the vaccination is to ensure that as many girls as possible are offered protection against German measles before they reach normal child-bearing age because of the known connection of certain foetal abnormalities with rubella infection in pregnancy. Local authorities have a responsibility to ensure that as many girls as possible in the recommended groups receive vaccine and the Health Education Council is preparing publicity material for their use.

Committee on Misuse of Barbiturates

The Standing Advisory Committee on Drug Dependence has appointed a sub-committee to inquire into the social aspects of the misuse of barbiturates and other sedative drugs in common use. Under the chairmanship of Sir Edward Wayne, the sub-committee will pay special attention to the problems of intravenous injection of barbiturates by addicts, a practice that has developed over the last 15 months and is considered to be an even greater hazard to health than heroin. The sub-committee hopes to complete its study before the Misuse of Drugs Bill [see 31.7.70 p. 720] finishes its passage through Parliament so that if any control of barbiturates is suggested consideration can be given to the recommendations.

New Food Hygiene Regulations

New food hygiene regulations to apply to food premises have been made by the Secretary of State for Social Services and the Minister of Agriculture, Fisheries and Food. Like the earlier regulations which they replace—Food Hygiene (General) Regulations 1960 and 1962—they require that food is handled under hygienic conditions, that premises, fittings and equipment are clean and suitable, that food handlers keep clean and follow good hygiene practices and that suitable and adequate facilities for keeping clean are provided. The new provisions require handlers of unpacked foods to wear clean and washable overclothing and prohibit the sale of pet food from food shops unless it is in a closed can or other sealed container. Certain regulations will also apply for the first time to farms where eggs, fruit or vegetables are packed or stored.

Orchestral Music in Great Britain

ARTS COUNCIL REPORT

Increased financial support from both central and local governmen orchestral music in Great Britain is called for in the report to the Arts Coun a committee of inquiry into orchestral resources,[1] published recently The r recommends no further increase at present, however, in the existing numb nine major subsidised symphony orchestras in the country.[2] Among its recommendations, accepted by the Arts Council, are the preferential treat of regional orchestras in the awarding of grants, improved co-ordinati local authority support for regional orchestras, and more co-operation bet the British Broadcasting Corporation (BBC) and the Arts Council in the fi orchestral music. Two further recommendations that orchestral musicia the regions should be paid at London rates, and that only two of the London symphony orchestras should continue to receive permanent govern support—have not at present been endorsed by the council

The Economic Situation

During the 1950s and 1960s both regional and London orchestras become less and less able to support themselves financially and more and reliant on public support, the report notes. Between 1954-55 and 1968-6 performance income of the five regional orchestras declined as a share of income from 60·2 per cent to 46·1 per cent, and that of two London symp orchestras which were examined declined from 90 per cent to 78 6 per While consumer expenditure on live orchestral music increased faster than consumer expenditure during the period, orchestral costs rose faster still report sees little prospect of reducing the costs of orchestral production stresses the impossibility of cost rationalisation of an industrial type *reductio ad absurdum*', it states, 'would be to play, say, a Mahler sympho twice the speed; this would increase the amount of notes played in a given but would destroy the product! Any attempt along the lines of rationalis would be self-defeating; only the closest scrutiny of administration and ove costs is likely to have any effect, and that would be relatively marginal'

While exhorting the orchestras to make every effort to improve economic situation, the report therefore recognises that, even if perforn income continues to rise, an increasing amount of government support w necessary to bridge the gap between income and costs. 'If the orchestra remain the principal medium for the presentation of great musical works past, present and future, not solely to a relatively well-off minority but classes in all parts of the country, and if standards of playing are to be tained and improved, then Parliament and local councils have no option t vote a very much greater amount of public money to support music' The r notes the heavy degree of public support for orchestral music in other Eur countries, and suggests that regional orchestras in Great Britain shoul themselves a target of meeting 40 per cent of costs out of performance incon per cent for the London orchestras) and that central and local goverr should finance the deficit in equal shares. Another suggestion to eas financial position of orchestras made in the report is that individual companies should be encouraged to become private benefactors of orchest some easing of their tax position.

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[1] *A Report on Orchestral Resources in Great Britain 1970*. Arts Council, 18s.

[2] These are, in London, the London Philharmonic, London Symphony, New Philharmo Royal Philharmonic Orchestras; and in the provinces, the Bournemouth Symphony, City of Birm Symphony, Royal Liverpool Philharmonic, Hallé, and Scottish National Orchestras.

Orchestral Music Outside London

The disparity between London and the provinces in access to orchestral music is greater than for other performing arts, the report suggests. 'Central London appears to be more than well supplied with orchestral music, whereas many other areas are bereft of anything approaching a regular annual series of concerts of standards comparable to those found in the metropolis.' To remedy this situation, it recommends that grant-awarding policy should, in the short run at any rate, favour the regions.

The shortage of orchestral music in the provinces is partly the result of a shortage of concert halls, the report argues. 'The need for more halls capable of housing an orchestra and an audience of not less than 1,800 to 2,000 is a major factor in the problem of making symphonic music available throughout the country.' Because of the high cost of building new concert halls, the report suggests that use of existing buildings, adapted where necessary for orchestral purposes, might provide a short-term solution to the problem, and it recommends a thorough investigation by the Arts Council of available buildings in order to provide concert promoters with full information on suitable or potentially suitable halls for concert giving. It also suggests that, where possible, regional symphony orchestras should form, as adjuncts, small chamber orchestras, or 'symphonettas', capable of playing in smaller halls. These, together with existing chamber orchestras and musical ensembles, could then, by touring, ensure a supply of orchestral music to areas where no large concert hall was available.

Shortage of adequate performance facilities is by no means the only problem facing regional orchestras, the report notes. The quality of orchestral music provided in the regions is threatened by the higher salaries and greater opportunities for free-lance work available in London, which are a powerful incentive for musicians to leave the provinces. 'Regional orchestras can maintain their *present* level of activity only if, in the face of competition from other forms of entertainment and cultural activities, they can retain and improve their quality of service,' it warns. To encourage high-quality musicians to remain in the provinces, the report recommends that regional orchestral salaries should be raised to at least the level of earnings for comparable work in London. 'Nothing less will ensure the professional status of regional orchestral players or stem the drain to London', it warns.

The importance of local authority financial support as an influence on the supply of orchestral services in the provinces is recognised in the report, which, however, notes the disparity between contributions by different authorities and recommends that local authorities should co-ordinate financial support for their regional orchestra. This, it is hoped, would encourage the less enthusiastic authorities to increase their contributions. Earlier notification to orchestras of the minimum level of future grants both from local authorities and from the Arts Council is called for as a means of assisting orchestras in their forward planning. 'The very least that is needed is an offer of clear information on the grants available, made well in advance of the planning period. To ensure the booking of a certain hall, or the engagement of a particular conductor or soloist, an orchestral management should plan at least two years ahead; in present circumstances, this means planning on financial assumptions.' Triennial commitments to minimum grants should be made by grant-awarding bodies on the basis of the detailed advance plans of the orchestral managements involved, the report argues.

While appreciating the reasons for the Arts Council policy of making direct grants to regional symphony orchestras, the report suggests that, particularly in present circumstances, a greater degree of direct 'consumer subsidisation' is desirable. 'Greater access to orchestral services should not depend exclusively on the award of direct subsidies to orchestras, but on the provision of funds to organisations in direct contact with consumers and to a much greater extent than

hitherto. Such a method is a particularly important one to explore in the short-run, when lack of concert halls and other facilities restricts the range of activity of the major orchestras . . . in all areas some part, and in deprived areas a major part, of grants should be awarded to music societies through regional arts associations', it states. Music societies would then be free to use the money to hire orchestras and ensembles of their choice.

Orchestral Music in London

The report stresses the advantageous position of musicians employed by the four main London symphony orchestras, with their greater access to private engagements, including broadcasting and recording work It describes the orchestral scene in London, where musicians are employed on the basis of a fee per concert rather than by contract, as ' an " open-ended " situation with a large pool of orchestral, chamber and free-lance musical activity, which allows musicians to work all their waking hours, and, in effect, to determine their own incomes '. The report finds substance in criticisms that this situation has reduced the commitment of musicians to their orchestras, that through pressure of work rehearsal periods for public concerts are often insufficient to ensure the highest artistic standards of performance, and that the programmes of the main orchestras have frequently been unadventurous It recommends that permanent government subsidy, as from autumn 1973, should be offered to only two of the four London orchestras, which would accept contractual obligations to their musicians providing permanence and stability Many musicians, it suggests, would welcome the chance of belonging to one of the two subsidised orchestras, which would offer full-time employment to some 220 of the 340 musicians currently employed by the four orchestras

The orchestras remaining within the commercial field would still have access to grants for public concerts, they would continue to accept engagements offered by music festivals and by local authorities, particularly in areas without an orchestra, and they would be free to accept recording contracts of a far wider character than the two subsidised orchestras

Orchestral Music and Broadcasting

The report recognises the importance for orchestral music of the BBC, which with its nine ' house ' orchestras is the biggest single employer of orchestral musicians. It stresses the importance of more co-operation between the Arts Council and the BBC, and, while recognising the need for a reduction in the number of BBC orchestras, it suggests that any reduction should be formulated in discussion with outside bodies concerned with the general future of orchestral music. Two suggested means by which the BBC could assist the provision of orchestral music throughout the country would be by allowing the BBC Welsh Orchestra to become the regular orchestra for the Welsh National Opera, and by transferring the BBC Northern Symphony Orchestra to a new base in Yorkshire, where there is at present no regional orchestra The BBC is also asked to discontinue free invitation concerts by its house orchestras and to recognise a public obligation to maintain a certain level of radio engagements for outside orchestras.

The potential role of television in increasing the accessibility of orchestral music to the public should be the subject of a further inquiry by an Arts Council working party, it suggests.

Government and Administration

List of United Kingdom Ministers.	COI, R 5657/70/2

Economic and Scientific Affairs

Court of enquiry into a Dispute between the Parties Represented on the National Joint Board for the Electricity Supply Industry. Report	Cmnd. 4410 HMSO, 3s 6d
Pay and Other Terms and Conditions of Employment of Workers in the Pottery Industry. Report No. 149 of the National Board for Prices and Incomes	Cmnd. 4411 HMSO, 11s
Bread Prices and Pay in the Baking Industry. Second report. Report No. 151 of the National Board for Prices and Incomes.	Cmnd. 4428 HMSO, 5s 6d
Committee of Inquiry into the Disruption of Operations and Industrial Relations at Heathrow (London) Airport. Final report	Cmnd. 4449 HMSO, 3s 6d
Animal Health Services in Great Britain, 1968. Report	HMSO. 13s.
Home-Grown Cereals Authority. Fifth annual report and accounts	HMSO, 14s
Anglo-French Helicopter Agreement. Britain and France signed on 28th July further supplements to a memorandum of understanding [see 13.2.70 pp. 153-4] making arrangements for the completion of development and production of the *SA 341 Gazelle* lightweight helicopter	Press release Ministry of Technology 6.8.70
Beyond the Wage-work Bargain: A review of productivity bargaining with two case studies of workers' evaluations of agreements. Political and Economic Planning Broadsheet 519.	PEP, 12 Upper Belgrave St., London SW1, 20s
Petroleum Chemicals. Fact Sheet on British Industry.	COI, R 5776
The Dock Strike Settlement and the Modernisation of Dock Work.	COI, Factel No. 607

Social and Cultural Affairs

Postgraduate Student Grants. Mrs. Margaret Thatcher, Secretary of State for Education and Science, announced increased grants to postgraduate students to start in the academic year 1970-71. For students living in college, hall	*Hansard*, 16.7.70 written answers cols. 247-8

or lodgings the grant will now be £550 instead of £530 annually. For those living at home the grant will be £425 instead of £410 annually

National Film Finance Corporation. Annual report for the year ended 31st March 1970.	Cmnd. 4402 HMSO, 2s
Intellectual Property. Convention establishing the World Intellectual Property Organisation.	Cmnd. 4408 HMSO, 8s 6d
War Pensioners. Report for 1969 At the end of 1969, 539,000 war pensions were in payment at an annual cost of £130 million	Cmnd. 4445 HMSO, 9s
Domiciliary Midwifery and Maternity Bed Needs Report by the Standing Maternity and Midwifery Advisory Committee of the Central Health Services Council (see p 777)	HMSO, 12s 6d
Registrar General's Statistical Review for 1968 Supplement on Abortion (see p 778).	HMSO, 6s
Report on the General Practice Finance Corporation 1969-70 (see p 777)	HMSO, 2s
Output Budgeting for the Department of Education and Science. Education Planning Paper No 1	HMSO, 30s
Modern Languages and the Less Able Pupil National Steering Committee	HMSO, 2s
The Battered Baby A memorandum prepared by the Standing Medical Advisory Committee of the Central Health Services Council and circulated to doctors and children's officers. It is aimed at increasing professional awareness of 'the battered baby syndrome' the serious physical maltreatment of young children by their parents or other adults, many of whom, says the memorandum, have long-standing emotional problems	DHSS, free
National Film School. The appointment of 15 governors for the National Film School [see 4 7.69 p 598], under the chairmanship of Lord Lloyd of Hampstead, was announced on 19th August	Press release DES 19 8 70
The Universities. Fact Sheet on Britain.	COI, R 4735 C 5

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Western Samoa

COMMONWEALTH MEMBERSHIP

The independent state of Western Samoa has become a member country of the Commonwealth. This was announced by the Commonwealth Secretary-General, Mr. Arnold Smith, on 26th August, after he had completed consultations with the Heads of Commonwealth Governments, all of whom were in favour.

Western Samoa became independent on 1st January 1962, and since then, in accordance with an interim arrangement, it has been treated in many respects as if it were a Commonwealth member. The Head of State is the Fautua of Malietoa, Malietoa Tanumafili II. Following elections early this year, and the appointment of a new Cabinet, the decision was taken to apply for admission to Commonwealth membership. In the words of the Prime Minister, Mr. Tupua Tamasese Lealofi, 'Our country has enjoyed many of the benefits of Commonwealth membership ... and it is not fitting that we should continue to enjoy these benefits without committing ourselves to full membership.' His Government was confident that membership would 'offer many advantages of co-operation with developed and developing nations inside the family of the Commonwealth.'

The Country and its History

Western Samoa comprises nine islands which lie in Central Polynesia in the south-west Pacific Ocean. It has a total land area of some 1,090 square miles, and its population at the census of November 1966 was 131,379, comprising mainly Samoans (who are a Polynesian people akin to the Maoris of New Zealand), but also including Euronesians, other Pacific Islanders, Chinese and Europeans.

A large part in the development of the islands of the Samoan group was played by the London Missionary Society and other missions, which from the second quarter of the nineteenth century set up schools and teachers' training centres. Trade, which had already been carried on for some time by whalers calling for provisions, increased rapidly. In 1844 the United States appointed a commercial agent. Consuls were appointed by Britain in 1847 and by Germany in 1861. Local representatives of all three Powers urged annexation, and New Zealand also pressed Britain to consider such a step: but the Powers were at that time reluctant to take any action.

In the 1880s, however, there began in the Pacific a period of colonial expansion by these Powers, and a number of agreements were drawn up defining their respective spheres of influence in the region. In 1889 the three Powers agreed that Samoa should be declared a neutral territory with a municipal government in Apia, the main centre of population, in which the three consuls were to have seats. The arrangement failed to work, and a commission of inquiry recommended apportioning the three main islands among the Powers. The United States thus obtained Tutuila (Eastern Samoa); but Britain withdrew, in exchange for recognition of its claims in the Solomon Islands and Tonga, and Germany formally annexed Western Samoa in 1899.

A New Zealand expeditionary force took possession of Wester[n] S[amoa in] 1914, at the end of the 1914-18 war, New Zealand retained the ad[ministration] of the territory under a League of Nations mandate and from 194[6] under the United Nations Trusteeship system. In accordance with the ... the Samoan people, a programme of political and constitutional de[velopment] was launched, which continued throughout the 1950s and culmin[ated in the] establishment of the independent state of Western Samoa in 1962. The ... of sovereignty did not, however, weaken the close and friendly relationsh[ip] ... had grown up between Western Samoa and New Zealand, and this w[as] ... in the Treaty of Friendship between the two countries signed in Augu[st] ...

Western Samoa's economy is based on agriculture, which has ... been of a subsistence type. The three major cash crops are coconuts, coc[oa] ... bananas. Because of the vagaries of weather and price fluctuations in ... national markets, earnings from these are, however, unreliable, and w[ith] population growing by over 3 per cent a year, economic developmen[t has] assumed a new sense of urgency. In this context the Government has rece[ntly] initiated measures to promote tourism, for which the islands are well su[ited] by their pleasant climate and attractive scenery. With the tourist industry ... mind, Western Samoa negotiated its first loan from an international financi[al] institution in December 1969, when it signed an agreement with the As[ian] Development Bank for a loan of $US2 4 million for airport and road develop-ment.

British High Commissioner

It was announced in London on 2nd September that the Queen h[as] appointed Sir Arthur Galsworthy, at present British High Commissioner in New Zealand, to be concurrently British High Commissioner in Western Samoa.

ECONOMIC AND SCIENTIFIC AFFAIRS

Antarctic Treaty

CONSULTATIVE MEETING TO BE HELD IN OCTOBER

The sixth Antarctic Treaty Consultative Meeting will open in Tokyo, Japan, on 19th October 1970 and, like previous meetings, will provide a forum for the discussion of common interests in the Antarctic. The treaty was signed in 1959 by the 12 nations active in the area, namely Argentina, Australia, Belgium, Britain, Chile, France, Japan, New Zealand, Norway, South Africa, the Soviet Union and the United States. Since its ratification in 1961 Poland, Czechoslovakia, Denmark and the Netherlands have acceded to the treaty.

BACKGROUND

Since the nineteenth century there has been a continuing tradition of international co-operation in research into the polar regions. Activity in the first and second International Polar Years of 1882-83 and 1932-33 was concentrated in the Arctic, particular attention being paid in the latter year to the ionosphere in connection with radio communications. In contrast, 25 years after the second International Polar Year, the International Geophysical Year (IGY)—1st July 1957 to 31st December 1958—devoted more attention to the Antarctic.

The IGY programme involved 66 nations and was concerned with geophysical phenomena over the whole planet. A major contribution to the success of the IGY programme was made by the first full-scale study of the Antarctic by 12 nations. South of latitude 60°S forty-four stations were manned by scientists from the countries, which in 1959 were to become the original signatories of the Antarctic Treaty. The IGY focused particular attention on meteorology, the physics of the upper atmosphere, seismology and geomagnetism. In addition to these programmes, Antarctic scientists took the opportunity to carry out basic exploration and mapping, and geological, glaciological and biological studies. The international scientific co-operation established in the IGY was continued for the year 1959 under the name of International Geophysical Co-operation (IGC). The IGY was timed to coincide with a period of maximum sunspot activity and in 1964 and 1965 the International Years of the Quiet Sun programmes—as massive as those of the IGY—studied similar phenomena at a period of sunspot minimum.

In the 10 years since this international scientific programme began, most of the Antarctic continent has been seen on the ground or from the air: the geographical exploration of the continent is almost complete. The main scientific facts about the Antarctic are now reasonably well recognised and documented. Present programmes are aimed at filling in detail and tackling new problems that have arisen as a result of earlier research. One noticeable development is towards an interest in the oceans which surround the Antarctic continent.

At the present time scientists from 10 of the 12 original Antarctic Treaty nations are manning 34 stations in the treaty area (south of latitude 60°S.). Their

connection between events in Antarctica and in the rest of the world. For exampl Antarctic weather has important effects on the weather of southern continent and the state of the ionosphere on the Antarctic continent affects long-ran telecommunications.

Scientific Committee on Antarctic Research

The Scientific Committee on Antarctic Research (SCAR) was set up February 1958 by the International Council of Scientific Unions and w charged with 'furthering the co-ordination of scientific activity in Antarcti with a view to framing a scientific programme of circum-polar scope a significance'. SCAR itself, and its permanent working groups on biolog communications, geodesy and cartography, geology, geomagnetism, glaciolog logistics, meteorology, oceanography, solid earth geophysics and upper atmo phere physics, provide a forum for international discussions among scientists individuals for the planning of scientific ventures in the Antarctic which nee attention on an international scale. The deliberations of SCAR are reported academies of science of the 12 original Antarctic Treaty Powers. The eleven meeting of SCAR and a Symposium on Antarctic Geology were held in Os in August 1970.

The Antarctic Treaty

A powerful stimulus to the conclusion of the Antarctic Treaty was given the general desire to maintain the international scientific co-operation built during the IGY and IGC which followed in 1959. The Antarctic Treaty w signed in Washington on 1st December 1959 and came into force on ratificati by all signatories on 23rd June 1961.

The treaty is intended to ensure peaceful use of the Antarctic and the fr development of international scientific co-operation in the area without prejudi to national rights and claims. The treaty prohibits in the Antarctic all milita activities, nuclear explosions or the disposal of radioactive waste material, b does not prohibit the use of military personnel or equipment in support peaceful scientific research In order to ensure that its provisions are observ the treaty gives contracting parties who are entitled to participate in Consultati Meetings the right to inspect the full scope of another nation's operations with the treaty area. In addition each signatory state is required to give advan notification to the others of all its expeditions and stations and its milita personnel and equipment. A number of inspections have been carried out ar none has revealed activities contrary to the spirit and purposes of the treaty.

The treaty provides that no acts taking place in the treaty area while remains in force should constitute a basis for asserting, supporting or denyi a claim to territorial sovereignty, or create any rights to territorial sovereignt and that during this period no new claim or enlargement of an existing cla should be asserted. Existing claims and interests are safeguarded by a provisi that nothing in the treaty should be interpreted as a renunciation by any par of previously asserted rights, claims or basis of claim to territorial sovereignt

Under Article IX of the treaty representatives of the original 12 contracti parties meet 'for the purposes of exchanging information, consulting togeth on matters of common interest pertaining to Antarctica and formulating a considering, and recommending to their government, measures in furtherance the principles and objectives of the treaty . . .'. Under this provision five Co sultative Meetings have been held, at Canberra (1961), Buenos Aires (1962 Brussels (1964), Santiago (1966), and Paris (1968). Under the rules of procedur recommendations of Consultative Meetings must be unanimous. Recommend tions have dealt with many subjects including the conservation of Antarctic wi life, international exchange of detailed information on operations, scienti

programmes, Antarctic telecommunications and some aspects of logistics such as aircraft landing facilities and the notification of unoccupied refuges. At Brussels the contracting parties approved the 'agreed measures for the conservation of Antarctic fauna and flora', under which the Antarctic continent and islands in the treaty area (south of latitude 60°S.) are subject to advanced conservation methods on an international scale.

The British Contribution

The British Antarctic Survey (BAS) has been working in the Antarctic since 1944 and now occupies five stations in the Antarctic (Signy Island, South Orkney Islands; Argentine Islands, Adelaide, and Stonington Island on the Antarctic Peninsula; and Halley Bay on the east coast of the Weddell sea). All these stations are participating in various international scientific programmes. Signy Island specialises in Antarctic biological work and is participating in programmes of the International Biological Programme. Halley Bay and Argentine Islands are geophysical observatories. Geological and topographical surveys have been made southwards in the Antarctic Peninsular from Adelaide and Stonington Island and into the mountains south and east of Halley Bay. The stations are resupplied by RRS *John Biscoe* and a new ship launched this month. HMS *Endurance* also participates in the scientific work of the survey.

The BAS organises British scientific work in the region, together with supporting logistics, from its headquarters in London. The BAS is a constituent body of the Natural Environment Research Council (NERC) of the Department of Education and Science. Co-ordination of the British scientific programme in relation to the programmes of other nations is carried out through the machinery of SCAR by way of the British National Committee on Antarctic Research of the Royal Society. Over the last two years the scientific programme of the BAS has been reviewed by the Antarctic Committee of NERC. Responsibility for the implementation of the major scientific programmes lies with four scientific units at Birmingham University, Edinburgh University, Monks Wood Experimental Station and the Scott Polar Research Institute (Cambridge University) covering geology, geophysics, biology and glaciology, respectively. These units instruct scientists before they leave for the Antarctic and provide facilities for the completion of studies and the writing of scientific reports. The scientific results of the BAS's work are published in a series of *Scientific Reports* and shorter papers appear in the *British Antarctic Survey Bulletin*. When appropriate, results are sent to world data centres and to other interested national and international organisations. The director of Scott Polar Research Institute is in addition the secretary of SCAR and the secretariat is housed in the institute. The Whales Research Unit of the National Institute of Oceanography has been largely responsible for supplying scientific advice on the state of whale stocks to the International Whaling Commission, whose secretariat is also situated in London. For the last 15 years the Hydrographic Department (Ministry of Defence) has been pursuing a programme of regular hydrographic surveys on the west coast of the Antarctic Peninsular, in the South Shetland Islands and in the South Orkney Islands.

Antarctic Whaling

Whaling was the Antarctic's only major industry but the stocks have not been adequately conserved to ensure its continuation. Excessive catches resulted in the collapse of the whale oil market in 1931. The International Convention for the Regulation of Whaling became effective in June 1932. During the second world war whale stocks had a brief period in which to build up but after 1945 whaling was continued using increasingly sophisticated methods including aerial spotting. In 1946 the International Whaling Commission was set up with

the basic purpose of conserving the whaling industry. Through this commission which up to the present time has held annual meetings, all subsequent attempts to control the industry have been made, based on the provision of scientific advice for the conservation and regulation of stocks. Since 1960 there has been an international effort to agree upon measures which would maintain whale stocks at a level giving the best sustainable yield. However, international agreement has not yet been reached and in consequence stocks have been reduced to a point where Antarctic whaling has proved uneconomic for most of the countries hitherto involved in the industry

European Free Trade Association

ANNUAL REPORT FOR 1969-70

The tenth annual report of the European Free Trade Association (EFTA) published in September, states that the 12 months which ended in June 1970 were characterised by the opening of new possibilities in Europe. EFTA itself was enlarged when Iceland joined in March 1970 [see 10.4.70 p 384] and the first meetings took place between EFTA governments and governments of the members of the European Economic Community (EEC) to discuss specific limited forms of co-operation. At the end of June, Ministers from three EFTA countries, from the six countries of the EEC and from the Irish Republic assembled to discuss the enlargement of the EEC. Discussions were due to start shortly afterwards between the EEC governments and the other EFTA countries which seek a new relationship with the EEC. These developments gave the EFTA countries grounds for hope that progress was now possible towards the fulfilment of EFTA's second aim, the creation of a large European market

Internal Development in EFTA

Iceland

From the date of its accession to EFTA, Icelandic manufactures could enter the territories of the other eight EFTA countries free of import duties and quota restrictions, and Iceland began the gradual elimination of its protective duties on industrial products imported from other EFTA countries by reducing its basic duties by an average of 30 per cent. This reduction will be followed by 10 per cent reductions on the first day of each year from 1974, until the final 10 per cent is eliminated on 1st January 1980. In order to help the development of new industries Iceland may increase its basic duties at any time up to 1st January 1975; the need to establish and maintain such increased protection may be examined by the EFTA Council. The protective element in internal taxes in Iceland and quantitative import restrictions will be eliminated by the end of 1972 and 1974 respectively.

Tariffs and Quotas

Apart from Iceland, Portugal is now the only EFTA member to levy import duties on industrial imports from other EFTA countries. Portugal retains duties at a rate of 50 per cent of the basic duties on a fairly extensive range of goods of EFTA origin. In December 1969 the council agreed on a timetable for the reduction of Portuguese tariffs, which will be finally eliminated by the beginning of 1980. The remaining 10 per cent duty on imports by Norway of certain classes of manufactured goods was removed at the end of 1969. The

protective duties on other industrial goods traded between member states were abolished at the end of 1966.

The Rules of Competition

At a meeting in 1968, EFTA Ministers instructed the council to undertake a general review of the rules of competition. The council was to aim at reaching agreement on points left unsettled during earlier reviews; to define the relation of the rules to general economic policy measures, balance of payments measures and regional development policies, and to clarify where necessary the practical application of the 'frustration' clause contained in the articles of the Stockholm Convention relating to the rules of competition. The results of the study and the recommendations made have been submitted to the council for further consideration.

Non-Tariff Barriers to Trade

Work continued during the year on the elimination of some of the more important indirect obstacles to trade caused by technical and administrative regulations of various kinds in EFTA states. In the field of compulsory technical regulations the report states that the approach adopted by EFTA has been that of concentrating on the reciprocal recognition of tests between the competent bodies in the EFTA countries and, at the same time, of encouraging the corresponding work being done in the international and European standards bodies.

Work is nearing completion on the proposed convention for the mutual recognition of inspections in respect of the manufacture of pharmaceutical products. The convention makes provision for non-member states to join at a later date

External Relations

GATT

Members of the Secretariat attended those meetings of the General Agreement on Tariffs and Trade (GATT) of special interest to EFTA and in particular the meetings of the committee on trade in industrial products for discussion on non-tariff barriers to trade. Periodic meetings have continued to be held between the heads of EFTA delegations to GATT for consultations on general trade policy questions of concern to EFTA countries.

OECD

The Secretariat was represented at the ministerial meeting of the Organisation for Economic Co-operation and Development (OECD) as well as in various meetings of the trade, economic policy, fiscal, economic development and review, invisible transactions, agriculture, and fisheries committees.

UNCTAD

Members of the Secretariat were present as observers in the Geneva meetings of the United Nations Conference on Trade and Development (UNCTAD) which were of special interest to EFTA. Consultations have taken place within EFTA on major issues concerning developing countries

EFTA Trade in 1969

Up to 1967 trade between EFTA countries had grown faster in each year than total EFTA trade, but developments in 1968 deviated from the trend towards greater concentration in intra-EFTA trade, as both total EFTA exports and EFTA exports to the EEC increased more than intra-EFTA trade [see 26.9.69

EFTA TRADE IN 1969
$US *million and percentage change 1968-69*

	EFTA		EEC		USA		Eastern Europe		Rest of world		Total world	
	$ mill.	%	$ mill	%	$ mill.	%	$ mill.	%	$ mill.	%	$ mill.	%
Imports (c.i.f.)												
Austria	549·9	+19·2	1,595·6	+11·4	84·4	+1·1	272·8	−12·0	322·7	+16·2	2,825·4	+13·2
Denmark	1,559·4	+21·1	1,274·8	+21·2	292·6	−6·9	130·8	−10·0	541·6	+12·6	3,799·2	+18·2
Finland	783·3	+31·8	553·0	+31·4	103·4	+43·0	335·6	−3·5	247·4	+36·8	2,022·7	+27·0
Norway	1,301·6	+11·7	792·0	+18·6	230·1	−11·6	72·9	−5·1	546·3	−7·3	2,942·9	+8·8
Portugal	312·5	+17·8	444·7	12·7	63·1	+26·5	18·5	+17·1	457·2	+9·9	1,296·0	+10·1
Sweden	2,192·9	+23·1	2,012·8	+14·6	504·2	+6·3	275·7	19·0	913·4	+4·0	5,899·0	+15·2
Switzerland	950·8	+28·1	3,057·7	14·2	445·0	+10·5	107·8	19·8	701·7	+19·1	5,263·0	+16·9
United Kingdom	2,993·9	+7·4	3,863·8	2·7	2,710·4	+6·8	796·8	+9·7	9,591·4	−4·9	19,956·3	+5·3
Total EFTA imports	—	—	13,594·3	+11·8	4,433·2	+6·9	2,010·9	+10·0	13,321·7	+6·2	44,004·5	+10·7
Exports (f.o.b.)												
Austria	590·9	+25·5	999·3	+24·7	110·6	+19·6	326·5	10·8	385·1	17·1	2,412·4	+21·3
Denmark	1,450·3	+12·4	680·7	+13·0	247·0	14·1	102·0	−14·2	476·9	+24·3	2,956·9	+14·5
Finland	800·6	+24·7	475·9	+18·2	119·1	23·7	351·2	+15·7	237·9	+24·4	1,984·7	+21·3
Norway	991·4	+12·7	560·6	23·7	151·3	−5·2	57·7	9·1	441·9	12·7	2,202·9	+13·7
Portugal	306·4	+17·2	153·4	21·0	80·6	+0·2	7·2	−1·4	305·4	+6·7	853·0	+11·9
Sweden	2,439·1	+13·7	1,582·2	18·2	356·7	−7·0	271·4	21·7	1,038·6	+22·6	5,688·0	+15·2
Switzerland	956·6	+13·5	1,733·3	18·0	436·1	4·6	173·8	+23·6	1,332·3	+15·6	4,632·1	+15·2
United Kingdom	2,584·7	+21·7	3,651·9	17·8	2,173·6	0·3	553·8	1·0	8,551·2	15·6	17,515·2	+14·1
Total EFTA exports	10,120·0	+17·0	9,837·3	18·7	3,675·0	1·7	1,843·6	11·1	12,769·3	+16·2	38,245·2	+15·2

p. 861]. In 1969, however, the previous trend was resumed and trade between the EFTA countries rose by 17 per cent whereas total EFTA exports grew by only 15 per cent. The contrasting experience of the previous year, the report states, appears to have been based on factors unrelated to the working of the Free Trade Area arrangements; it was rather the substantial improvement in business conditions in the EEC and the consequences of the devaluation of the currencies of three EFTA countries in 1967 which limited the growth in the value of the internal trade of EFTA compared with the expansion in its total trade. The trend towards greater growth in the internal trade of the association continued in the first quarter of 1970.

The year 1969 was the tenth year of EFTA co-operation and the third year of virtually free trade in industrial goods. Whereas total EFTA imports and exports have doubled since 1959 (the last year before tariff reductions in EFTA began), trade between the EFTA countries has nearly trebled; this represents an annual average rate of growth of 11 per cent. Among the Nordic countries of EFTA alone the total volume of trade almost quadrupled.

Trade with the EEC—in both directions—has risen by about 130 per cent. EFTA imports from the United States show a similar rate of growth—135 per cent—but EFTA exports to the United States have risen by only 98 per cent over the period.

In 1969 total commodity imports of the EFTA members combined[1] amounted to $44,005 million and exports to $38,245 million, respectively 11 and 15 per cent higher than a year earlier. The report states that the rates of growth accelerated throughout the year and that for each quarter of 1969 the rate of growth of total EFTA exports was higher than that of total EFTA imports. This trend continued through the first quarter of 1970 when total EFTA exports and imports were respectively 5·8 per cent and 4·8 per cent higher than in the fourth quarter of 1969.

Intra-EFTA Trade

In 1969, intra-EFTA exports rose by 17 per cent, compared with a rate of growth of only 6 per cent in 1968, and reached a total of $10,120 million. This rate of growth was one of the highest achieved since EFTA was founded and was, the report states, largely the result of the improved trading position of Britain, whose sales to the rest of EFTA rose by 22 per cent. Austria and Finland also increased their exports to other EFTA members by well over 20 per cent. Each member country's imports from its EFTA partners rose more than its total imports. In the first quarter of 1970 intra-EFTA trade amounted to 27 per cent of EFTA's total trade, showing a rise of 17·3 per cent over the first quarter of 1969.

Since 1959, Austria and Portugal, both of whom had previously done little trade with the other EFTA countries, have increased sales to their EFTA partners by over 400 per cent. For most other EFTA countries the increase has been of the order of 200 per cent.

Intra-Nordic trade recovered from its relatively slow rate of growth in 1968 to reach a total of $3,136 million in 1969, an increase of 21 per cent over the previous year and greater than the growth of intra-EFTA trade as a whole.

Trade with the EEC

Exports to the EEC rose faster in 1969 than intra-EFTA trade since the gross national product of the EEC countries as a whole expanded at a much faster rate than that of the EFTA countries combined. EFTA exports to the EEC rose by over 18 per cent to $9,837 million. As a result the EFTA countries'

[1] Excluding Iceland which did not become a member until March 1970

deficit on trade was reduced to $3,757 million, continuing the improvement which began in 1968. Britain accounted for almost half of the rise in exports.

Trade with the United States

There was very little change in the value of EFTA's exports to the United States in 1969; at $3,674 million exports showed a rise of a little over 1·5 per cent since 1968. Imports from the United States rose to $4,433 million, an increase of almost 7 per cent. The large increases in EFTA imports (31·4 per cent) and exports (19 per cent) in the first quarter of 1970 over the first quarter of 1969 were very largely the consequence of the American dock strike in 1969.

Trade with Eastern Europe

EFTA trade with Eastern Europe amounted to about $2,000 million in each direction, representing increases of 10 per cent in imports and 11 per cent in exports. Since 1959 imports from Eastern Europe have increased by 114 per cent and exports by 140 per cent, the most important growth in trade being recorded by Sweden, Switzerland, Britain and Austria.

Trade with the Rest of the World

About a third of EFTA's trade is carried on with the rest of the world, of this trade Britain supplied two-thirds of EFTA's exports and received over 72 per cent of EFTA's imports in 1969. Since 1959, EFTA trade with the rest of the world has grown slowly at an average annual rate of only 4·3 per cent for imports and 5·3 per cent for exports. The 1969 growth rates of 16·4 per cent for exports and 6·3 per cent for imports were thus unusually high, with Denmark Finland and Sweden (about 20 per cent each) recording the highest increases in exports, and Finland (37 per cent) and Switzerland (19 per cent) the sharpest rise in imports.

Ceylon

BRITISH AID

A loan agreement was signed in Colombo on 28th August, under which Britain will provide Ceylon with economic assistance to the value of £3 million for the purchase of a wide range of British goods, including fertilisers, fibre glass motor cycles, forklift trucks, and spares for various types of vehicles and agricultural and industrial equipment.

This loan forms part of British aid of £6 million for the current year, pledged at a meeting of the Ceylon Aid Group held in Paris in February 1970 under the auspices of the International Bank for Reconstruction and Development It is interest-free and is repayable over a period of 25 years with an initial three-year grace period. It is the ninth British loan to Ceylon since 1965 and brings the total of such loans to £20·71 million.

Britain has also supplied Ceylon with food aid, as part of the obligation which the British Government accepted under the terms of the Rome Food Aid Convention, signed in July 1968, to provide 225,000 metric tons of grains, or the cash equivalent, each year for three years to developing countries. In 1969, the first year of the convention, an agreement was signed to supply Ceylon with approximately £1 million for the purchase of wheat, and in April 1970 a further £950,000 agreement was signed for the purchase by Ceylon of wheat or flour during the harvest year 1969-70.

Civil Aviation

BOAC ANNUAL REPORT

The annual report and accounts of the British Overseas Airways Corporation (BOAC) for 1969-70 were published in August (HMSO, 10s). In a year of considerable pressure on costs, BOAC made a profit of over £19 million. The profit target set by the Government for the four years to 31st March 1970 was 12.5 per cent per year on net assets employed; over the period BOAC achieved an average return of 17·4 per cent per year. There were increases in both routes and numbers of aircraft operated, and the numbers of passengers carried rose by nearly 20 per cent to 1·9 million

Financial Results

At £31.1 million BOAC's operating surplus for 1969-70 was the highest ever recorded it followed a succession of surpluses over the past five years. After allowing for taxation, profit amounted to £19·3 million.

Traffic revenue rose by 16.7 per cent to £198 million. The amount earned in foreign currency continued to increase and reached the record figure of £136·7 million, £25.5 million more than in the previous year. Passenger revenue was 20 per cent higher, at £142.5 million, mail revenue 4·2 per cent higher, at £17.5 million, and freight revenue 15.6 per cent higher, at £28.9 million. Operating expenditure rose by 13 per cent to £166·9 million Nevertheless, unit costs fell by 0.9d to 20.8d per capacity ton mile. Unit costs fell sharply during the first half of the 1960s, since then they have been held fairly steady in spite of continued pressure from rises in general cost levels.

The necessity to borrow abroad to pay for American aircraft allowed large balances to accumulate in sterling; on this account BOAC, with Board of Trade approval and Treasury consent, has since the end of the financial year taken the opportunity to repay in full advances from the Board of Trade which stood at £16.9 million on 31st March 1970 (otherwise due to be repaid in half-yearly instalments by 1976). At present, therefore, the Government's financial interest is purely in BOAC's equity, consisting of £65 million public dividend capital and another £74.9 million in reserves. (BOAC's capital structure was reorganised as from April 1965, when nearly £80 million in losses was written off. However, the board points out that, had no reconstruction taken place, BOAC's profits in the subsequent five years would have been sufficient both to pay interest on all capital derived from the Government and to pay off the £80 million of accumulated losses.)

During 1969-70 the authorised limit on BOAC's borrowings and public dividend capital was raised from £90 million to £120 million; a further substantial increase will be required in 1970-71 to allow for continued expansion. For 1969-70 BOAC has paid a dividend of 20 per cent on public dividend capital and expects to continue to pay substantial dividends, despite the immediate prospects of temporarily excessive capacity as large new aircraft are acquired and put into service.

Traffic

Traffic carried during the year was higher than expected in both first and economy classes. Nearly two million passengers travelled 6,348 million passenger miles, the passenger load factor rising 1·5 per cent to 55·2. Special fares were introduced, enabling BOAC to compete in the bulk travel market with 'inclusive' tour charges. On the cabotage routes to Bermuda, the Bahamas and Antigua, BOAC pioneered the introduction of very low individual 'Early Bird'

fares, for which the passenger has to book and pay at least four months in advance.

Cargo business continued to grow fast, both in terms of revenue and volume Total load ton miles rose by 15 per cent to 266 million, while revenue earned rose 16 per cent to £29 million. All-cargo outlets have been considerably extended following pallet and container interchange agreements with American and other carriers, and a new weekly all-cargo service to South Africa was introduced

Development

Among new facilities for the Boeing *747* large-capacity aircraft, which started to come into use early in 1970, was a new hangar at Heathrow, completed in March. In addition, over 200,200 square feet of workshops, a multi-storey car park and 192,000 square feet of offices are being constructed there. BOAC's new cargo terminal at Heathrow was opened during the year, and new training facilities have been provided. The new passenger terminal at Kennedy Airport New York, though damaged by fire in January 1970, was opened to limited use in the summer of 1970 (though again damaged by fire in August).

At 31st March 1970, 54 aircraft were in use –17 *Super VC10s*, 11 *Standard VC10s*, 18 Boeing *707-436s* and 8 Boeing *707-336s*- -and 14 were on order, of which 12 were Boeing *747s* (of which three have since been delivered, but are not yet in use due to a dispute with the pilots)

The Boadicea computerised reservations system, which came into operation in October 1968, has now achieved 99·35 per cent reliability. A particular advantage of the system is that load factor has been improved through more efficient use of aircraft space. Departure control was added to the system during 1969-70 for London and New York airports, making BOAC the first airline with a fully integrated computer passenger service facility extending from initial booking to final destination. A number of agreements have been made with other airlines for provision of consultancy or programming services by BOAC resulting in a profit for the year of £500,000

BEA ANNUAL REPORT

The annual report and accounts of British European Airways (BEA) for 1969-70 were published on 27th August (HMSO, 15s). BEA maintained its place as the world's seventh largest passenger-carrying airline and the second largest carrier It made an operating profit of £11 million, the largest in its history.

Financial Results

In 1969-70 BEA earned £126 million in revenue, £17·7 million more than in the previous year. Revenue from scheduled passenger services rose by 16 per cent to £105 million, from mail by 13 per cent to £3 million and from freight by 4 per cent to £10·6 million. Other revenue was accounted for by charter, which rose by 69 per cent to over £3 million, and by commissions and other items Revenue per land mile increased by 5·5 per cent to 78·6d. Expenditure amounted to £121 million; in spite of rising wage rates and price levels generally, there was a reduction of 1·3 per cent to 43·9d in cost per capacity ton mile. After interest and other charges on the record operating profit of £11 million, net profit amounted to £6·5 million.

BEA is required by the Government to aim at an average return of 8 per cent on its net assets during the four years ending 31st March 1972. In the year under review 8·5 per cent was achieved. Capital expenditure reached £24 6 million, of which £10·4 million was in respect of aircraft and spares

Traffic

In spite of economic difficulties in Britain during the year, BEA increased its passenger traffic by 10 per cent to 8·48 million; international services, on which 5·33 million travelled, rose by 14 per cent, as against the 2 per cent rise in domestic traffic. The passenger load factor increased to 62 3 per cent, compared with 61·9 per cent in 1968-79

Sales in Western Europe rose by 17 per cent during the summer, in the Mediterranean area by 16 per cent, and in North and East Europe by 19 per cent German Division sales rose by 21 per cent. Sales outside Europe increased by 30 per cent. There was a sharp increase in charter tours.

Cargo tonnage carried fell by 1 per cent to 130,700 tons, a 2 per cent rise in international traffic being more than offset by a 7 per cent fall in domestic. Mail carried rose by 6 per cent -by 7 per cent on international and by 4 per cent on domestic routes. Cargo traffic was affected by labour troubles at Heathrow airport and by delay to the introduction of the new *Merchantman* freighter, which eventually took place in February 1970. Four of these aircraft are now operating.

During the year BEA earned £53 million in overseas sales, £45 million of it within Europe

Aircraft

Seven *Super One-Eleven* and three *Trident Two* aircraft were added to BEA's fleet during the year On 31st March 1970 the fleet contained 97 aircraft, excluding a number of aircraft awaiting sale Hours flown amounted to 216,250, slightly fewer than in 1968-69 By the end of 1969-70 some 7,300 automatic landings had been recorded by *Trident* aircraft on scheduled services, carrying nearly half a million passengers The *Trident One* and *Two* fleets were being modified to what was expected to be the final standard for automatic blind landing with the necessary flight recording equipment. *Trident Three* aircraft are ordered with most of this equipment already fitted

The Development of South-West Scotland

A report by the Scottish Development Department published this month[1] examines the economic problems of the South-West region, and attempts an assessment of its future prospects. The region lies between the large urban populations of central Scotland and north-west England

Background

The report states that particularly difficult problems of redevelopment have been caused in the region by rationalisation in the agricultural and coal mining industries, as the South-West has been more heavily dependent than any other Scottish region on the primary industries for employment. In 1966, when a White Paper on the Scottish economy was published, a deteriorating unemployment situation and a heavy drain of population through migration reflected the loss of many jobs in these industries and in railway and defence establishment work While at the time it was expected that there would be a further reduction in the number of jobs in mining and farming, it had been felt that the population situation gave more grounds for confidence because the region's rate of natural

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[1] *A Strategy for South-West Scotland*, Scottish Development Department, HMSO, 31s.

increase could largely offset the migration loss. Since that time, however, the decline in population has accelerated as a result of higher migration and lower natural increase, while unemployment has risen both in absolute terms and in relation to the Scottish average because of continual job losses in agriculture and the increased rate of contraction of colliery employment. Male unemployment now stands at one and a half times the Scottish average and two and a half times the rate for Britain as a whole. The problem is most severe in the rural areas, where declining employment in agriculture is expected to continue, particularly in Wigtownshire and the mining areas in the north which have been designated Special Development Areas.

General Prospects

The report admits that the acceleration of population decline and the worsening employment situation must raise doubts about the future population balance, and stresses the need to increase male employment prospects in order to reduce or arrest migration from the region. The report states that 'it is manufacturing industry which holds the key to a broader, more healthy pattern of employment', and continues: 'The increase in manufacturing industry which has been achieved in recent years has been hard won. It will, therefore, require considerable extra effort to increase the present rate of creation of additional jobs in manufacturing industry.' The report calls for 'further joint efforts throughout the area to make the most of the advantages and incentives conferred by Development and Special Development Area status'.

The report goes on to study the prospects for the different areas and industries in the region and makes the following main recommendations for action:

(1) Strenuous efforts should be made to increase the rate of creation of additional male jobs in manufacturing industry so that better use can be made of the region's power resources and that migration may be substantially reduced.

(2) To tackle the problem of attracting new industry, a regional planning and industrial promotion organisation should be established; local planning and borough authorities should co-operate in developing industrial sites and related housing; local planning authorities should alter their development plans to enable each borough to attract industry and high priority should be given to industrial training by employers to produce an efficient and flexible labour force.

(3) Special measures such as enlisting the help of the Development Commission should be considered for rural areas.

(4) Development plans throughout the region should be urgently reviewed on the assumption of a longer-term growth in population and be made sufficiently flexible to be altered in the light of progress achieved.

(5) The effects of and the opportunities created by the M6-A74 motorways should be kept under review jointly with the planning authorities immediately south of the region.

(6) Local authorities should co-operate in preparing proposals for tourism and recreation throughout the region in consultation with the regional tourist association.

Committee of Inquiry on Rabies

INTERIM REPORT

The *Interim Report of the Committee of Inquiry on Rabies* was published on 17th August (Cmnd. 4457, HMSO, 1s 9d). A final report will be issued later. On 24th August the Minister of Agriculture, Fisheries and Food, Mr Prior, and the Secretary of State for Scotland, Mr Campbell, announced that they accepted the interim report's main recommendations on future import policy for dogs and cats.

The present total ban on imports of cats and dogs is to be lifted from 16th September. From that date animals will be required to spend a period of six months in quarantine and, while in quarantine, they must be vaccinated twice with an inactivated anti-rabies vaccine to reduce the risk of cross-infection in kennels.

If in future there should be a case of rabies in a quarantine kennel, the quarantine for other animals in the kennels concerned will be extended for such period as the Ministers think necessary to safeguard against possible cross-infection. In such a case no further animals will be admitted to the kennels and animals released from the kennels in the previous two weeks will be recalled.

Any dog or cat which has completed at least nine months' quarantine on 7th September can be released without vaccination. The remaining animals in quarantine will be vaccinated twice and then released from 30th September onwards, if (or as soon as) they have completed nine months' quarantine. The costs of vaccination and quarantine extension will be borne, as are other quarantine costs, by the importer.

The committee also recommend a number of additional precautions to improve the hygiene and security of quarantine kennels. Some of these can be implemented quickly. Others are to be discussed urgently with the interests concerned. The committee is considering furthering the ban on imports of other canine and feline animals, performing dogs and animals banned under the Exotic Animals (Importation) Order 1969. For the time being, therefore, the ban on importing such animals will remain in force, although animals of this kind at present in quarantine will be released from 7th September, if (or as soon as) they have completed nine months' quarantine.

Background

The Committee of Inquiry on Rabies, under the chairmanship of Mr. Ronald Waterhouse, QC, was appointed in April 1970 by the then Minister of Agriculture, Fisheries and Food and the Secretary of State for Scotland, following cases of rabies in two dogs, some six and a half months and nine months respectively after their importation, and cases which suggested that indirect transmission of the disease could possibly occur. These were the first cases of rabies in Britain for 47 years and the Ministers were obliged to take steps to prevent the disease becoming endemic. In December 1969 the quarantine period

for dogs, cats and other canines and felines was extended from six months to eight months and in March 1970 from eight months to twelve months. It was announced later in March that imports of dogs and cats would be totally prohibited.

Control of Air Pollution

REPORT OF CHIEF ALKALI INSPECTOR

A warning against the exaggeration of the dangers of atmospheric pollution has been given by the Chief Alkali Inspector for England and Wales in his latest annual report.[1] While emphasising the need to guard against complacency, he calls attention to improvements which have been made in the environment and to progress in the techniques of pollution control.

The Chief Alkali Inspector is head of the Alkali Inspectorate which is appointed by the Minister of Housing and Local Government and by the Secretary of State for Wales to enforce in England and Wales the Alkali etc Works Regulations Act 1906 (' The Alkali Act ') a consolidation of legislation dating from 1863. This Act, as amended by the Clean Air Acts 1956 and 1968 and extended by the Alkali etc. Works Order 1966, provides the legislative basis for the control of emissions from specific industrial and chemical processes Emissions from other industrial, or from urban domestic, premises are controlled mainly by local authorities under the Clean Air Acts and the nuisance provisions of the Public Health Act 1936. In Scotland a separate inspectorate operates in a similar way under separate but similar legislation.

In his report the Chief Inspector gives an account of the principal activities of the inspectorate, which during the year carried out a total number of 9,563 visits and inspections, and was represented on a variety of local, national and international committees. In addition, the Chief Inspector discusses a number of general issues arising from the problems of air pollution.

Prophecies in Perspective

The Chief Inspector says: ' Many nations have recently awakened to the fact that the industrial revolution and the prosperity it has brought have introduced unwelcome side effects of which air pollution is one of the manifestations Leading industrial nations are preparing for an all-out attack on the problems, both nationally and internationally, and numerous campaigns and pressure groups have been formed.' He goes on, however, to stress the danger that on this topic ' emotions could be roused to the point of over-riding common sense '.

The Chief Inspector declares that ' it is important to put some of these gloomy prophecies in proper perspective '. He dismisses as ' highly speculative ' forecasts that the accumulation of carbon dioxide resulting from the burning of fossil fuels will increase the earth's temperature and lead to the melting of the polar ice-caps, or that the formation of a belt of dust in the atmosphere will bring about a fall in the earth's temperature. The Chief Inspector emphasises that ' it is a fact that various physical features of the earth, such as weather, temperature, position of magnetic pole, etc , undergo regular long-term periodicity in fluctuation ' and that ' there is no sign that these are being disturbed by man's efforts which are puny in comparison with nature's '.

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[1] *106th Annual Report on Alkali etc. Works, 1969* HMSO, 10s.

On the subject of sulphur dioxide pollution he points out that ' it is estimated that man's efforts cause the emission to air of 120 million tons per year of sulphur dioxide, whereas natural causes by comparison are responsible for 600 million per year '. Moreover, in England and Wales sulphur dioxide emissions have declined from a peak of nearly 6 5 million tons per year in 1965 to the present level of 6 1 million tons, and are expected to continue to fall, reaching 5 16 million tons in 1985.

Economic Aspects

The Chief Inspector declares: ' The problems of air pollution control are mainly economic. If money were no object there would be very few unresolved problems, for the technical solutions to prevention are almost all known. The economic situation varies from nation to nation and each has to determine its own priorities. In theory it is common sense to have agreed international standards of emission, air quality criteria and enforcement, but in practice there are many obstacles ahead and many differences in viewpoint which are going to be difficult to resolve. Astronomical figures are frequently quoted for the cost of the effects of air pollution, but we see no rush by the alleged sufferers to finance the prevention of pollution at source, when, on the face of it, there should be a phenomenal return for the outlay. This is especially true of horticultural and agricultural interests Cost benefit assessments would seem the obvious answer, but we again run into practical difficulties Much time and money has been spent on exercises of this kind but results have been disappointing Variables are so numerous and situations change so rapidly, that when a complicated assessment has been made it is too inaccurate and out-of-date for use. Even in the United States of America the conclusion has been reached, rather sadly, that meaningful cost benefit cannot be achieved, but that this does not and should not prevent the taking of major decisions. An exchange of information in international organisations will obviously be of great benefit, although it would be wishful thinking to believe that unanimity on action and standards is close at hand. Whatever can be agreed, flexibility must be left for each nation to assess its own special problems and tackle them in the manner best suited to its own particular conditions of population, economy, topography, meteorology, national character, lawmaking and system of government '

British System of Control

The Chief Inspector summarises Britain's methods of pollution control while stressing that ' no two countries are alike and when explaining the British system of air pollution control, care has always been taken to explain that it applies to conditions in this country and that it is not claimed that it would suit others ' He explains that in Britain ' there is a mixture of local and central authority control, and both use fundamentally the same type of approach, with some obvious differences in degree caused mainly by local policies and circumstances '. Britain ' has preferred a simple, straightforward approach with its attack on abatement of the obvious pollution problems. Our achievements are believed to have surpassed those of any other comparable industrial country.' The British system is based on the ' setting of realistic standards, easy of interpretation and measurement ', since ' complicated legislation and standards usually require complicated and expensive means of supervision and inspection, with the danger that the system falls into disrepute when it cannot be enforced '.

Dealing with the criticism that the British approach ' is too simple and pragmatic to deal with the complicated nature of air pollution ', the Chief Inspector maintains that it would be impracticable to attempt to counter all kinds of pollution from all sources, and, reaffirming that ' the major air pollution

prevention tasks are domestic emissions, internal combustion engine exhausts, grit and dust and sulphur dioxide ', he states that ' our present knowledge of emission control techniques is sufficient to give this country a clean and healthy environment, provided that sufficient energy and resources are devoted to the task '.

Research

The Chief Inspector emphasises the importance of further research. Continuing work is required in such fields as the adaptation of techniques of prevention, the systematic collection and interpretation of data on air quality, atmospheric chemistry, and the effects of air pollution on people, animals, vegetation, construction materials and fabrics.

In conclusion, the Chief Inspector recognises the urgency and scope of the problems ahead, but stresses that ' the facts must be separated from the half-truths, and the decisions which are finally taken must be based on true practicality '.

Government and Administration

Britain's Parliamentary Commissioner for Administration.	COI, R(SN).5872/70

External Affairs and Defence

Nuclear Weapons. Treaty for the prohibition of nuclear weapons in Latin America, with additional Protocols I and II	Cmnd. 4409 HMSO, 7s 6d

Economic and Scientific Affairs

Fisheries of Scotland. Report for 1969. Department of Agriculture and Fisheries for Scotland	Cmnd 4380 HMSO, 6s
Scottish Land Court. Report as to proceedings, 1st January 1969 to 31st December 1969.	Cmnd 4395 HMSO, 2s 6d
Bulgaria: Air Services Agreement. Agreement between Britain and Bulgaria for air services between and beyond their respective territories.	Cmnd 4420 HMSO, 2s 6d
Costs and Efficiency in the Gas Industry. Report No 155 of the National Board for Prices and Incomes.	Cmnd 4458 HMSO, 6s 6d
United Kingdom Balance of Payments 1970 The 'Pink Book' prepared by the Central Statistical Office.	HMSO, 15s
British Aid Statistics. Statistics of economic aid to developing countries 1965-69, produced by the Ministry of Overseas Development.	HMSO, 20s
Air Transport and Travel Industry Training Board. Report and accounts for the year ended 31st March 1970.	HMSO, 3s 6d
Electricity Supply Industry Training Board. Report and accounts for the year ended 31st March 1970.	HMSO, 3s 6d
Knitting, Lace and Net Industry Training Board. Report and accounts for the year ended 31st March 1970.	HMSO, 2s
Torry Research Station. Annual report, 1969.	HMSO, 7s
Output and Utilisation of Farm Produce in the United Kingdom.	Ministry of Agriculture, Fisheries and Food (Publications), Tolearne Drive, Pinner, Middx. HA5 2DT, 2s 3d

Industrial Fibres. Review prepared by the Commonwealth Secretariat.	Commonwealth Secretariat, Marlborough House, London SW1, 40s
Commonwealth Development Finance Company Ltd. Annual report for year ended 31st March 1970.	CDFC, 1 Union Court, Old Broad Street, London EC2
GATT Activities in 1969-70.	General Agreement on Tariffs and Trade, Geneva
Some Recent Advances and Developments in Britain. No 13	COI, R. 5656/13
The Fishing Industry. Fact Sheet on British Industry.	COI, R. 5776/5
Equal Pay for Women.	COI, R(SN).5880

Social and Cultural Affairs

Copyright. International convention further revising the 1886 Berne convention for the protection of literary and artistic works, with protocol regarding developing countries.	Cmnd. 4412 HMSO, 6s 6d
Genocide. Convention on the prevention and punishment of the crime of genocide.	Cmnd. 4421 HMSO, 3s
Police/Community Relations. Report of an Anglo-American conference held at Ditchley Park, May to June 1970.	Ditchley Foundation, Ditchley Park, Oxford, 5s
Housing in Britain.	COI, RF.P.5875/70

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Contents

Law and Order

NON-CUSTODIAL AND SEMI-CUSTODIAL PENALTIES

Courts in England and Wales should have the power to order offenders to undertake work which serves the community in their leisure time, according to a recommendation in a report, *Non-Custodial and Semi-Custodial Penalties* (HMSO, 11s), prepared by a sub-committee of the Advisory Council on the Penal System under the chairmanship of Baroness Wootton of Abinger, and published on 8th September. The report follows a comprehensive inquiry into the adequacy of the existing powers of the courts to deal with offenders aged 17 or over without resort to custodial sentences. Other proposals include: power for the courts to postpone the imposition of a sentence to allow an offender to show he can keep out of trouble, repay money or pay compensation; weekend imprisonment so that an offender can keep his employment during the week; and the setting up of an experimental attendance centre for traffic offenders.

Service to the Community

If, in appropriate cases, offenders were required to engage in some form of part-time service, the sub-committee suggests, an opportunity would be provided for constructive activity in the form of personal service to the community and there would be a possibility of a changed outlook on the part of the offenders. The report envisages a scheme under which a court could order an offender to carry out in his leisure time a specified number of hours of community work, generally involving attendance only during evenings or weekends.

No attempt is made by the sub-committee to categorise precisely the types of offenders for whom community service might be appropriate, nor to predict what use might be made by the courts of this form of sentence. However, it believes that community service should provide an alternative penalty in cases in which at present a court imposes a fine because there is no better sanction available, or in situations where the courts wish to place emphasis on a probation order by the imposition on the offender of an additional obligation other than a fine. Community service and fines are seen as alternative remedies which should not be imposed together for the same offence (although community service might be appropriate as an alternative to imprisonment, says the report, in certain cases where an offender does not pay a fine imposed upon him).

The report recommends that the administration of the proposed scheme should be the responsibility of the existing probation and after-care service, which is locally-based with extensive local offices, serves the courts and carries out a wide range of duties connected with the treatment of offenders in the community, and has a tradition of working through the use of general community resources.

Offenders performing community service should, so far as is practicable, work in association with volunteer non-offenders, the sub-committee believes, although there might well be scope for community projects for offenders alone.

It therefore envisages that the community service scheme would rely substantially on voluntary community service agencies, particularly for the supply of suitable tasks. Such an association with volunteers (many of whom are teenagers) would make the community service scheme particularly valuable in the treatment of young offenders.

Deferment of Sentence

The report concludes that there is a definite place in penal practice in England and Wales for further[1] provisions allowing courts to defer sentence after conviction—that is, to postpone sentence for a period to see if the offender refrains from certain activities or carries out some stipulated action. Such provisions would give the offender an opportunity, for instance, to show good behaviour, to repay money acquired dishonestly, or to compensate for damage caused maliciously. The sub-committee believes that the courts should be encouraged by a statutory power to find out, by experimentation, which types of offences and offenders would respond to this form of treatment. The courts should select the period for deferment—a maximum period of six months is recommended—and at the end of it should dispose of the matter without any power to defer further the imposition of sentence.

Disqualification and Forfeiture

The courts' powers to forbid offenders to take part in certain transactions or activities—for example, disqualifications from driving or from public office—are considered in the report. The sub-committee recommends that offenders who have used motor vehicles in connection with offences for which they have been convicted should be disqualified from driving, that it should be possible to disqualify road traffic offenders from driving at weekends over a period of time (as well as for continuous periods); that sexual offenders or offenders convicted of violence involving children or young people should, in many cases, be prohibited from taking employment in specified occupations involving contact with children; and that the courts should be given a general power to order the forfeiture of property in the possession of an offender when this seems desirable for the prevention of crime.

Attendance Centres

A proposal in the report recommends the setting up of an experimental attendance centre at which traffic offenders aged 17 and over could be ordered to report. The programme at this centre should be wholly directed towards improving the offenders' competence and attitudes as drivers, and should include instruction in road traffic law, vehicle maintenance and perhaps first-aid and map-reading. Instruction should be given by retired police officers and driving instructors.

Courts should be empowered, suggests the report, to order offenders to report to police stations at specified periods during their leisure time, and should be able to add a fine. The sub-committee believes in particular that this would enable the courts to stop hooligans attending football matches.

There is no need, says the sub-committee, to introduce any other form of institutional day attendance; nor should any form of penalty be adopted which obliges offenders to carry out compulsory full-time work which is not of their own choosing.

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[1] Existing powers under which the criminal courts may at present defer or withhold the imposition of a sentence include: binding-over to come up for judgment; binding-over to keep the peace or to be of good behaviour; conditional discharge; probation; and suspended sentences.

Intermittent Custody

The report studies proposals for a system of intermittent custody—that is, detention for short intermittent periods (usually at weekends) in a penal institution, or 'work release' under which a prisoner resides in a penal institution while engaged in normal employment elsewhere. This would have the advantages of maintaining family ties, allowing an offender to continue supporting his family, and minimising his need to rely on other offenders for companionship. Practical difficulties (such as the shortage of prison staff and medical staff) preclude the adoption of forms of intermittent custody at the present time, but the sub-committee recommends that imprisonment at weekends (a maximum of ten is suggested) should be introduced as soon as circumstances permit. However, this penalty should be introduced only where there is power to impose imprisonment; where a non-custodial penalty would not meet the situation; and where the court is satisfied that the offender is, or has been recently, employed and living at a fixed address. The report suggests that, pending the introduction of weekend imprisonment, one or two experimental weekend centres should be established.

The Probation Service

The sub-committee recognises the importance of the probation and after-care service in the non-custodial treatment of offenders, and its proposals seek to enable the service to take within its scope a wider range of offenders who would otherwise be given custodial sentences

The Middle East

ARAB-ISRAEL CEASE-FIRE; TALKS AGREED

During the past months there have been renewed hopes of a peaceful settlement of the Arab-Israel conflict. In late July and early August the United Arab Republic (UAR), Jordan and Israel agreed to hold indirect talks under the auspices of the United Nations' special representative to the Middle East, Dr. Gunnar Jarring, and to observe the cease-fire resolutions of the Security Council [see 23.6.67 pp. 620-2 and 1.9.67 pp. 897-8]. These developments resulted from a United States' initiative on 19th June [for earlier developments see 22.5.70 p. 496], which was accepted by the UAR and Jordan on 22nd and 26th July respectively, and by Israel on 4th August. The renewed cease-fire came into effect on 7th August and is at present agreed to be of three months duration. It was formally agreed between the UAR and Israel in terms suggested by the United States, and is also being observed along the front between Israel and Jordan (which had never explicitly rejected the original cease-fire). The United States' proposals, and the UAR's and Jordan's acceptance of them, have been rejected by the largest of the Palestinian *fedayeen* groups, and in Jordan there was, from late August, renewed fighting between the *fedayeen* and the Jordanian army which in mid-september erupted into civil war.

The United States' proposals were endorsed by the other participants in the New York four-Power talks—Britain, France and the Soviet Union—on 5th August. The talks opened in New York on 25th August, at ambassadorial level, utilising the 'Rhodes formula' (which implies indirect negotiations conducted through an intermediary, on the pattern of the armistice talks between Egypt and Israel on the island of Rhodes in January 1949). However, on 6th September Israel announced it was temporarily suspending participation in the talks because of repeated Egyptian violations of the military 'standstill' element of the cease-fire.

A new element was added to the situation when, in early September, the Popular Front for the Liberation of Palestine, one of the more extreme *fedayeen* groups, hijacked a number of aircraft and held the passengers hostage for the release of Arab guerrillas held by Britain, Switzerland, the Federal Republic of Germany and Israel.

The United States' Initiative

The new attempt to reactivate Dr. Jarring's negotiating mission was announced at a press conference by the US Secretary of State, Mr. William Rogers, on 25th June, when he described the American proposals as a major political initiative designed 'to encourage the parties to move towards a just and lasting peace which takes fully into account the legitimate aspirations and concerns of all governments and people in the area'. The initiative aimed to promote an exchange of views between the parties to bring into effect the principles contained in the United Nations resolution of November 1967 (Resolution 242, see pp. 821-2 and 8.12.67 p. 1228), and its proposals were con-

tained in letters addressed to the Governments of the UAR, Jordan and Israel on 19th June. Other Arab governments, the Soviet Union, Britain and France were also informed of the proposals, which were made public on 23rd July.

After discussing the need for a reduction of tension and for the promotion of a lasting peace, the letters stated that, in the United States Government's view, 'the most effective way to agree on a settlement would be for the parties to begin to work out under Ambassador Jarring's auspices the detailed steps necessary to carry out Security Council Resolution 242'. The United States therefore proposed the restoration of the cease-fire 'for at least a limited period', and that the UAR, Jordan and Israel should subscribe to a suggested statement, which would be in the form of a report from Dr. Jarring to the UN Secretary-General, to the effect that the three states had advised Ambassador Jarring that (a) having accepted and indicated their willingness 'to carry out Resolution 242 in all its parts', they would designate representatives to discussions to be held under Dr. Jarring's auspices; (b) the purpose of such discussions would be to reach agreement on the establishment of a just and lasting peace, based on (1) 'mutual acknowledgment by the UAR, Jordan and Israel of each other's sovereignty, territorial integrity and political independence', and (2) 'Israeli withdrawal from territories occupied in the 1967 conflict', both in accordance with Resolution 242; and (c) to facilitate Dr Jarring's task of promoting agreement as set forth in Resolution 242, 'the parties will strictly observe . . for a three-month period at least] the cease-fire resolutions of the Security Council'.

Meanwhile, discussions continued, on a bilateral level between the Soviet Union and the United States, and between the four Powers in New York [see 27.2.70 pp. 200-5]

Egyptian and Jordanian Acceptance

The immediate reactions to the American proposals from the countries most directly concerned did not appear promising, and various statements indicated that the initiative might again be blocked by the seeming incompatibility of the two sides' basic positions. Following an extended visit by President Nasser to Moscow, the UAR formally accepted the proposals on 22nd July. A letter from Mr. Riad, the UAR Foreign Minister, to Mr. Rogers, published on 7th August, stated that the UAR Government was ready 'to re-emphasise to Ambassador Jarring our preparedness to implement all provisions of the Security Council Resolution and to appoint a representative to discuss with him implementation of this resolution. In this respect we are prepared to accept a cease-fire for a limited period of three months in accordance with your proposals, although we believe that the correct starting procedure in this case is to begin drawing up a timetable for the withdrawal of Israeli forces from the occupied territories.' President Nasser described the UAR's acceptance as 'unconditional'.

On 26th July the Jordan Government accepted the proposals, indicating in its letter of acceptance, published on 5th August, its continued respect for the cease-fire, but implying that it could not be responsible for the actions of the Palestinian guerrillas: the letter pointed out that Israel's 'aggression' had 'made it necessary for the Palestinian resistance to fulfil its legitimate right of self-defence and resistance to occupation'.

Israel's Acceptance

The Israel Government had difficulty in reaching agreement on a reply, and it was not until 31st July that the Cabinet approved acceptance of the US proposals, six Ministers of the Gahal party later withdrawing from the Government of National Unity in protest at the decision. The government resolution

accepting the proposals said that 'while remaining faithful to the basic principles of the Government's policy and its official statements, the Israeli Government has decided to agree to the latest peace initiative of the United States Government and, when the time comes, to appoint a representative to the talks to be held without pre-conditions under the aegis of Envoy Jarring, within the framework of the November 1967 Security Council Resolution, with the aim of reaching a contractual and binding peace agreement between the parties. The Israeli Government's position in favour of a cease-fire on all fronts, including the Egyptian front, on a mutual basis, and in accordance with the Security Council Resolution, remains in force. The Government states that, relying on the clarifications supplied by the United States Government on this subject, Israel is ready to agree to the United States proposal for a cease-fire of at least three months on the Egyptian front.'

Israel's written acceptance was delivered to Washington on 4th August, and, in a speech in the Knesset, Mrs. Meir indicated the points that had been made in this formal reply: that Israel was prepared to withdraw its troops from occupied areas to 'secure, recognised and agreed boundaries', but only after a binding peace agreement had been made with the Arab states; that peace talks should be conducted on the 'Rhodes formula' with direct negotiations at the final stage; and that each of the parties to a peace agreement must be responsible for preventing hostile acts by regular or irregular forces within its territory. Israel had informed the United States that Israel would not return to the frontiers of June 1967.

Mrs. Meir confirmed that Israel had at first turned down the United States proposals, but now accepted them, having received from the American Government 'important clarifications, on most essential subjects, both as regards the strengthening of Israel's defensive capacity and as regards acknowledgment of the justification of our attitude on fundamental political matters'. The Knesset approved the Government's acceptance by a vote of 66 for and 26 against

British Welcome

The United States' initiative was welcomed by the British Government and following the acceptances a Foreign and Commonwealth Office statement said that Britain hoped that all concerned would now 'do everything they can to ensure that the resumption of Dr. Jarring's mission leads to early progress towards a settlement in accordance with the Security Council Resolution of November 1967'. President Nixon, while welcoming the positive replies on 7th August, warned against under-estimating the difficulties that lay ahead 'It will require moderation, flexibility, and a willingness by both sides to accept something less than their maximum positions if progress toward a just and lasting peace between the parties is to be made'

Arab Reactions

The UAR's and Jordan's acceptance of the proposals, while supported by a number of Arab states including Libya, Sudan and the Lebanon, provoked strong opposition from Syria, Iraq and Algeria, as well as from the majority of the *fedayeen* groups. On 8th August a spokesman for the Central Committee of the Palestinian organisations said that they would continue to fight, and the largest of these organisations, *al-Fatah* and the Popular Front for the Liberation of Palestine, have reasserted their rejection of political settlements. The Palestine National Congress, the so-called parliament assembled by the guerrilla organisations, meeting in Amman on 28th August, rejected 'the American conspiracy known as the Rogers plan', and said that the Central Committee should take all necessary steps to prevent the continuation of the negotiations, and measures to ensure the continuation of the armed struggle. Only the small Action Organisation for the Liberation of Palestine and the Arab Palestine Organisation publicly

supported the UAR's and Jordan's action, and there were reports of fighting in Amman between the rival groups.

The Four Powers and the United Nations

The four Powers approved the United States' proposals at their weekly meeting in New York on 5th August, issuing a statement describing the developments as 'favourable for the resumption of Ambassador Jarring's mission'. The four representatives welcomed the developments and had come to an agreement on a communication to the Secretary-General.

Israel, the UAR and Jordan having given confirmation of their acceptance to Ambassador Jarring (who concurrently had been in consultation with their UN representatives, and with the United States and Soviet Union representatives, on implementing the proposals), he addressed a letter on 7th August to the Secretary-General on the lines suggested in Mr. Rogers's letters of 19th June (see p. 816). Informing the Security Council of these developments in a note of 7th August, the Secretary-General said that there was now 'a reasonable basis on which to renew [Ambassador Jarring's] contacts with a view to initiating discussions under his auspices on the issues. It may be said, therefore, that the Jarring mission is now reactivated. . . . This marks, in my view, an important step forward in the search for peace in the Middle East. . . . It is already clear, however, that the road ahead is long, arduous and uncertain. But if only there is a will for peace, all obstacles can be surmounted, and peace will be achieved.'

The Cease-fire

The cease-fire agreed between the UAR and Israel came into effect on the evening of 7th August, bringing to a halt the constant aerial and artillery activity of the past months. The cease-fire along the Suez Canal was described by Mr Rogers as a 'standstill cease-fire', that is, involving a commitment by the UAR and Israel not to use the cease-fire period to alter their military dispositions and the military balance in the area.

The terms of the cease-fire agreement were disclosed in a speech to the Knesset on 13th August by the Israel Defence Minister, General Dayan, and later confirmed by the United States Department of State. After clauses establishing the timing and the cessation of firing and bombing, clause 3 provided that both sides 'refrain from changing the military *status quo* within zones extending 50 kilometres (31 miles) to the east and west of the cease-fire line. Neither side will introduce or construct new military installations in these zones . . .' Clause 4 dealt with verification. 'For purposes of verifying the cease-fire each side will rely on its own national means, including reconnaissance aircraft, which will be free to operate without interference up to 10 kilometres (6·2 miles) from the cease-fire line on its own side of the line' ['Oblique' aerial reconnaissance]. (It was later reported that this procedure was being supported by American and Soviet intelligence capabilities, including satellite reconnaissance and electronic intelligence. On 21st August *Al Ahram*, the semi-official Cairo newspaper, reported that the UAR had informed the United States that it had rejected reconnaissance flights by satellite or *U-2* aircraft when it had learned that the United States intended to use these means.) The other clauses referred to the reporting of alleged violations of the cease-fire and military standstill to the United Nations, and to an agreement to abide by the Geneva Convention of 1949 relative to the treatment of prisoners of war.

The Talks

There was some delay in the opening of the talks because of disagreement about their site and the level of diplomatic representation and because of Israel's

preoccupation with alleged violations of the cease-fire. The site, timing and leve of representation were the subject of intensive discussions between Dr. Jarrin and the three states: the UAR and Jordan were said to have expressed preferenc for New York as the site and representatives at the UN as the level of representa tion, while Israel was reported to have informed Dr. Jarring that Israel favoure talks near the Middle East region and between Foreign Ministers. On 23r August Israel appointed the Foreign Minister, Mr. Abba Eban, as delegate t the talks; however, as the latter would not be in New York until the opening o the UN General Assembly (15th September), Israel's permanent representativ at the United Nations, Mr. Joseph Tekoah, was appointed ' alternate delegate '

The talks opened on 25th August and in separate meetings Dr. Jarring ha discussions with the three delegates, Mr. Tekoah for Israel, Mr. Mohamme Al-Zahyat for the UAR, and Mr. Sharaf for Jordan (the Ambassador t Washington, in the absence of the permanent representative at the UN, Mr Muhammed El-Farra). Press reports indicated that the three countries' openin statements showed little apparent change of position, although all three delegate indicated their Governments' goodwill in seeking a peaceful settlement. Dr Jarring had further meetings with the Egyptian and Jordanian delegates but Mr. Tekoah immediately returned to Jerusalem for consultations with th Israel Government. Dr. Jarring has expressed a hope that at a later stage th discussions could be held at Foreign Minister level

However, on 6th September Israel announced that it would suspend parti cipation in the talks as long as the UAR continued its violations of the cease-fir agreement: the statement said that ' until such time as the cease-fire agreemen and a standstill are implemented fully and the original position is restore Israel will not be able to participate in the talks '.

Cease-fire Violations

The main guerrilla organisations have continued their military activitie in disregard of the cease-fire, with attacks against the west bank of the Jorda in the Gaza Strip and on the Golan Heights. Israel has conducted air strike against guerrilla bases in Jordan and the Lebanon, while on 4th and 5th September an Israeli armoured and infantry force penetrated Lebanese territor in a sweep against guerrilla positions. There have also been a number of alleged breaches by the parties to the agreement. On 14th August Jordan complained t Dr. Jarring about ' repeated Israeli violations ' of the cease-fire; Israeli jets wer said to have attacked Jordanian army positions in retaliation for the latter alleged assistance to guerrilla operations.

On 13th, 14th and 18th August the Israel Government lodged formal complaints with the United Nations Truce Supervision Organisation (UNTSO) that the UAR had violated the agreement by moving further surface-to-ai missiles into the prohibited zone. The Israel Government then asked the Unite States ' to rectify the matter and have the missiles moved back to where the were before the cease-fire '. On 19th August the United States issued a statemen to the effect that it had ' concluded that there was formal deployment of surface-to-air missiles into and within the zone west of the Suez Canal around the tim the cease-fire went into effect. There is some evidence that this was continued beyond the cease-fire deadline, although our evidence is not conclusive However, the Israel Government continued to assert that Egyptian violation of the standstill agreement were continuing: on 20th August Israel issued photographic evidence on the missile build-up, and made further complaint to UNTSO on 21st and 23rd August.

On 3rd September a further statement by the US State Department accused the UAR and the Soviet Union of violations of the cease-fire agreement, and formally requested that the violations should cease. The United States was ... representations in both Moscow and Cairo ' to secure

rectification of the situation'. At the same time the statement urged that Israel and the Arab states should resume the peace talks in New York. According to press reports, State Department spokesmen indicated that there had been three types of violation—construction work had taken place inside the 31-mile-wide standstill zone, which had increased the number of Egyptian anti-aircraft missile sites since the start of the cease-fire on 7th August; a number of previously unoccupied missile sites had been occupied; and there was evidence that equipment had been moved up within the zone towards the cease-fire line.

On the same occasion a spokesman indicated that the United States was continuing to watch the military balance in the area, and had 'no intention of permitting Israel's military security to be adversely affected'. A United States statement of 9th September indicated that the United States would supply the *Shrike* anti-radar air-to-surface missile and the *Walleye* television guided missile as a counter to the UAR's enhanced anti-aircraft capability in the Canal Zone, together with an unspecified number of *Phantom F4* aircraft. On 14th September the Egyptian Foreign Minister, Mr. Riad, accused the United States of freezing the peace initiative. On the following day he declared that the peace initiative was dead: the United States had 'failed to carry out its roles as an impartial mediator and has fallen back on its policy of support for Israeli aggression. I can now say that the United States has brought its initiative to an end.' However, the UAR would continue to observe the cease-fire, and would continue to work for peace. The US Department of State replied that the United States Government did not feel that the peace initiative has ended; the United States would continue its efforts 'to achieve rectification of the cease-fire violation'.

The 1967 UN Resolution

The following is the text of the United Nations Security Council Resolution which was unanimously adopted on 22nd November 1967.

The Security Council,

Expressing its continuing concern with the grave situation in the Middle East,

Emphasising the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every state in the area can live in security,

Emphasising further that all member states in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter,

1. Affirms that the fulfilment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:

(i) Withdrawal of Israeli armed forces from territories occupied in the recent conflict;

(ii) Termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognised boundaries free from threats or acts of force;

2. Affirms further the necessity

(a) For guaranteeing freedom of navigation through international waterways in the area;

(b) For achieving a just settlement of the refugee problem;

(c) For guaranteeing the territorial inviolability and political independence of every state in the area, through measures including the establishment of demilitarised zones;

3. *Requests the Secretary-General to designate a special representative to proceed* to the Middle East to establish and maintain contacts with the states concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;

4. Requests the Secretary-General to report to the Security Council on the progress of the efforts of the special representative as soon as possible

HIJACKING

Attention was shifted from the cease-fire and the talks when, on 6th September, Palestinian guerrillas of the Popular Front for the Liberation of Palestine (PFLP), one of the more extreme *fedayeen* organisations [see 14.2.69 pp 164-6], hijacked three airliners, owned by American and Swiss airlines; an attempt on a fourth, an Israeli Boeing *707*, was unsuccessful The hijackings were widely interpreted as an attempt to disrupt the peace talks.

The three hijacked aircraft—a Trans World Airlines Boeing *707* on a flight from Tel Aviv to New York, a Swissair *DC8* en route from Zurich to New York, and a Pan American Boeing *747* flying from Amsterdam to New York—were taken over in flight over Europe and forced to proceed to the Middle East. After refuelling at Beirut airport, the Boeing *747* was flown to Cairo, where the passengers were released and the aircraft was immediately blown up by the guerrilla hijackers The other two aircraft, after refuelling at Beirut, were flown to a desert airstrip in Jordan formerly known as ' Dawson's Field ') Here the planes were met by other members of the PFLP and in turn surrounded by units of the Jordanian Army

The attempt on the Israeli aircraft, an El Al Boeing *707*, was foiled by security guards and passengers, one male hijacker being killed in the struggle and a security guard injured. The aircraft landed at London airport (Heathrow) where the female hijacker, Miss Leila Khaled, was taken into custody by the British authorities.

PFLP Ultimatum

On 7th September the PFLP delivered ultimatums to the British, Swiss and Federal German Governments, demanding the release of seven Palestinian guerrillas held by these countries (Miss Khaled in Britain, three persons sentenced to 12 years imprisonment in Switzerland on charges arising out of a machine-gun attack on an El Al aircraft there in February 1969, and three men in custody in the Federal Republic of Germany after a grenade attack on an El Al airliner at Munich Airport in February 1970), and of an unspecified number of Palestinian guerrillas held in Israel. It was reported that the guerrillas had threatened to destroy the planes and their passengers if these demands were not met within 72 hours. At this stage there were about 200 passengers and crew held at the desert airstrip; the PFLP had allowed about 90 women and children to be taken to Amman and the remainder were mainly men, although press reports indicated that about 50 women and children of Israeli or Israeli/American dual nationality had also been kept in the planes. The guerrillas had dug in around the aircraft, which had been planted with gelignite, which they threatened to explode if any attempt were made to intervene

Red Cross Mediation

Consultation began on 7th September in Washington, between the United States, Britain, Switzerland, the Federal Republic of Germany and Israel, and it was agreed that the International Committee of the Red Cross (ICRC) should act as an intermediary for the governments in discussions with the PFLP. A three-man ICRC team, including M. André Rochat, the ICRC Middle Eastern delegate, arrived in Amman on 8th September, and the Red Cross also made arrangements to improve the living conditions of the hostages while they were held in the desert

On 8th September the Red Cross officials began the first of a series of meetings with the PFLP leaders, with the object of clarifying the guerrillas' demands and communicating to them the views of the governments concerned. By 9th September M. Rochat had obtained an extension of the deadline. On the same day the ICRC headquarters in Geneva issued a statement clarifying its role. the committee had been empowered to negotiate the release of the Palestinians imprisoned by Britain, Switzerland and the Federal Republic of Germany in exchange for all persons on board the hijacked aircraft, regardless of nationality. Discussions between the United States, Britain, Switzerland and the Federal Republic of Germany now continued in a co-ordinating committee established in Berne; it was reported that the Israel Government was being informed of the discussions

On 8th September the British Foreign and Commonwealth Secretary, Sir Alec Douglas-Home, summoned the Ambassadors of Iraq, the UAR, Jordan, the Lebanon, Kuwait and Saudi Arabia, and expressed to them the British Government's grave concern at these events. He further pointed out 'that the whole of the international community must be opposed to this kind of activity, and in this particular case the outrages must gravely damage the Arab cause'. Sir Alec, therefore, asked the Ambassadors to use their governments' influence with the PFLP to stop this activity 'in the interests of law and order and international sanity'

Further Hijacking

However, on 9th September the PFLP hijacked a further aircraft - a British Overseas Airways Corporation *VC10* en route from Bombay to London with 114 passengers and crew, a large proportion of whom were British citizens' again, after refuelling at Beirut, the aircraft was flown to Dawson's Field and its passengers joined the other hostages A PFLP spokesman is reported to have said that the hijacking was designed to warn the British Government about its 'stubbornness' in the case of Miss Khaled

On 11th September Britain and the other governments concerned rejected various PFLP proposals to release some of the hostages in return for the seven guerrillas held in Britain, Switzerland and the Federal Republic, while holding others pending the return of the guerrillas held by Israel. (The PFLP's precise demands in this respect are unclear; it is reported that Israel holds up to 3,000 such guerrillas.) It was reported that the governments had reaffirmed their position, that they would release the seven guerrillas only if the PFLP agreed to release all the hostages, regardless of nationality. On the evening of 12th September the British Government broadcast a statement indicating that it was prepared to release Miss Khaled 'as part of a satisfactory settlement of the detained passengers and crew of the three aircraft'. The Israel Government had previously stated that it would not be prepared to release the guerrillas imprisoned there, and insisted that all passengers be released 'without exeption'.

On 9th September the United Nations Security Council had called for the release of the hostages, while the hijackings had been condemned by a number of Arab states: on 10th September the Government of Iraq, one of the main supporters of the *fedayeen*, made a public appeal for the hostages' release.

During the evening of 11th September the Central Committee of the Palestine Liberation Organisation, the co-ordinating body of the *fedayeen* organisations, announced that it had persuaded the PFLP to transfer the hostages from the desert to Amman for ' humanitarian reasons '. The hostages having been moved from the aircraft, on 12th September the PFLP destroyed the aircraft with explosives and released the majority of the passengers and crew.

The PFLP continued to hold hostage about 55 people (predominantly men and including eight British citizens and a number of Israeli and Israeli/American citizens), whom, it was reported, they were prepared to release only in return for the seven guerrillas in custody in the Western countries, together with a number of the guerrillas held by Israel.

During 12th and 13th September the Israel security forces arrested some 450 Arabs living in the occupied territories, apparently, as the Israel Government asserted, for interrogation on suspicion of helping the guerrilla organisations. The majority have since been released

THE SITUATION IN JORDAN

Another element of growing importance in the Middle East situation is the worsening crisis in Jordan engendered by the conflict between the Government and the *fedayeen* groups. In recent months the animosity between them has grown to the point of open conflict, aggravated by the Jordan Government's willingness to attempt to negotiate for a peaceful settlement and the rejection of this by the *fedayeen*.

In early June there were widespread and violent clashes between the *fedayeen* and the Jordan army. On 10th June King Hussein and Mr. Yasser Arafat, chairman of the Central Committee of the Palestine Liberation Organisation (PLO) and leader of *al-Fatah* [see 14 2.69 pp 164-6], concluded a ten-point agreement to promote a cease-fire and ensure co-operation On the following day violent fighting again broke out and many casualties were reported On 27th June King Hussein formed a new Government, whose membership was widely considered to be more favourable to the Palestinian organisations. On 10th July a further agreement was concluded between the Government and the PLO Central Committee, guaranteeing the *fedayeen* freedom of action. The acceptance by Jordan of the American peace initiative was followed by massive demonstrations in Amman, and in early August fighting broke out there between the PFLP and those *fedayeen* organisations supporting the Egyptian and Jordanian action.

Renewed fighting between the army and the *fedayeen* began towards the end of August. On 1st September King Hussein escaped an attempt on his life in a guerrilla ambush, the second in three months. Heavy fighting again broke out, growing in intensity and nullifying a series of cease-fires as it spread from the capital to the town of Irbid and to the guerrilla camps in the Jordan valley. On 9th September King Hussein handed over control of the army to the Commander-in-Chief, General Haditha, who was considered to be favourable to the Palestinian organisations, and who ordered the army to call off its attacks on the *fedayeen*. A third cease-fire was concluded on 10th September.

In an interview later published on 15th September, King Hussein spoke of the alternatives for Jordan of peace or war: the guerrillas, he said, ' must respect the agreement with the Government or take the consequences. What is at stake is the unity of Jordan, her position in the world, and the morale of the army. There is reason to fear that our inability to play our part will finally drive the population of the occupied territories to turn directly to the Israelis to solve their problems. '

The lull following the cease-fire was again short-lived, and fighting began again on 13th September; on the following day it was reported that the guerrillas had taken control of Irbid. On the 15th fighting spread to the capital and to the town of Zarka, north of Amman. On the same day the civilian Government headed by Mr. Rifai resigned, and King Hussein appointed a military Government under the leadership of Brigadier Mohammed Daoud; General Haditha was replaced as Commander-in-Chief by Field-Marshal Habes al-Majali. On 16th September it was reported that martial law had been declared.

The fighting in Jordan has subsequently reached the proportions of a major civil war; this situation and any developments in the questions of the peace talks and hostages will be described in a later issue

Britain and Europe

ASSEMBLY OF EUROPEAN MUNICIPALITIES

The ninth assembly of the Council of European Municipalities was held in London from 16th to 18th July The assembly, the largest political conference of its kind ever held in Britain, brought together some 3,000 representatives of local government organisations from nine countries Austria, Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands, Switzerland and Britain. The British delegation comprised representatives from over 80 local authorities in England, Wales and Scotland.

The main theme of the conference was 'Europe—why, with whom and how?' and was the subject of the main political debate In a paper to open this debate, the president of the council, Dr Henry Cravatte, former Deputy Prime Minister of Luxembourg, deplored the fact that the need was now no longer felt for a thorough reorganisation of the European continent This was typified, he said, in that in Europe, wedged between the great Powers, the will to come together in a European Defence Community had not been strongly felt. He argued that the council should call for the early political unification of Europe

The major topics discussed in the working sessions of the assembly were the relations between central and local government, regional development and problems of environmental pollution. It was clear from the speeches and discussion that Britain and the other nations of Europe faced many similar problems in connection with these issues and there was a general feeling among delegates that much useful information was exchanged.

Statements by British Ministers

The opening session of the assembly was addressed by the Prime Minister, Mr Heath, by Mr. Barber, who was then Chancellor of the Duchy of Lancaster, and by Mr. Rippon, joint president of the British section of the council, who on 28th July succeeded Mr. Barber as Chancellor of the Duchy of Lancaster, with responsibility for Europe.

Mr. Heath, noting the fortuitous timing of the assembly so soon after the opening of membership negotiations between Britain and the European Community on 30th June, said that if there was to be sustained enthusiasm for the unity of Europe, it must rest on friendship and co-operation, not only between governments, but between individual men and women, between towns and

cities, between peoples of the countries of Europe. The large volume of visitoi between Britain and Western Europe and the practice of ' town twinning ' wer examples of the living bonds of European unity. The Prime Minister went on t stress the importance of safeguarding democracy in Europe when he said ' I frankly cannot imagine the European Community developing beyond certain point without a corresponding advance in democratic functions. As said in a speech at the Guildhall about a year ago [see 29.8.69 p. 759]: " I hav always believed that once Britain is a member of the European Community, th British will be the first to press for democratic and parliamentary control of th Community's operations. They will do so because it will then be clear that this i what is needed to reach the accepted goals of all of us "

' One of the greatest services which the Council of European Municipalitie can render is to show the different nations of Europe the remarkable extent t which they are today at an equivalent stage of political, and social and economi development.

' We are in so many respects natural partners. We share a common histor and culture and traditions of parliamentary democracy We have similar soci and industrial systems None of us is a super-Power and today we are all no only neighbours but at last good neighbours Like good neighbours we depen on each other for security, for prosperity and for maintaining and improving th amenities and quality of life. By coming together, as in this assembly, we ca help teach each other and all Europe how much we already have in common '

Mr. Rippon also paid tribute to the work of the council, affirming tha ' the strength of the European movement largely derives from the fact that i cuts across vested interests and party boundaries and appeals directly to people The outstanding role played by the Council of European Municipalities, and it status in European affairs, is due to its constant promotion of exchanges o people and views on a massive scale not just through conferences and committee but through the " twinning " of towns, schools, universities and youth organisa tions. We in Britain are glad to have played our part in this work We are prou of the honour of taking our turn in acting as host nation to this the nint assembly. '

Mr. Barber, acknowledging the council's work in the promotion of a unite Europe, said that it was against the background of Britain's already very clos ties with the other nations of Europe that Britain's application to join th European Communities should be seen. He added that the Communities ha unquestionably provided, and continued to provide, the main driving force fo European unity. The opportunities for an enlarged Community would b enormous, and included: ' a greatly enlarged single market; the removal of th barriers—fiscal, legal and psychological which prevent the inventive resource o Europeans being channelled into European companies big enough to keep i the forefront of world technology—something that it is rapidly becoming mor difficult to do on a national basis; a European role in international monetar affairs; a closer European identity in the defence field within the framework o the Atlantic Alliance; greater prosperity for Europe, which will enable Europ to do more for the less developed countries; a greater say for Europe in workin out the rules for international trade—where Brtain has a vital interest and wher Britain's voice alone can so easily go unheard; above all a European voice in th great decisions about the way the world is going to develop between now and th end of the century—decisions about arms limitation and alliances, about th use of natural resources and development in the poorer countries; these decision will affect the everyday lives of every single person in the countries of Europe

Mr. Barber continued: ' I have no doubt that, if we can negotiate fair terms the standard of living of the British people will rise at a faster rate than it otherwise would. . . . But, for my part, I think not only of Britain. For there is much more at stake. I do not want to boast of this country's unrivalled tradition

of political experience and stability, of our very considerable financial and technological experience, of our connections with all parts of the world which would be of the greatest value to an enlarged Community. I think it is now recognised that, without Britain and other countries which are applying to join, Europe would fall short of its real potential The economic division of Western Europe, with its weakening political effect, would be there to stay, against all reason, perhaps for generations to come. The declared purpose of the Community to speak for Western Europe as a whole would be checked '

British Aid

STATISTICS FOR 1969

Figures given in an amendment issued with the annual *British Aid Statistics*[1] prepared by the Ministry of Overseas Development and published in August show that the total net financial flow from Britain to developing countries in 1969 was 0·97 per cent of gross national product (GNP).

The United Nations Conference on Trade and Development (UNCTAD) in 1968 called for 1 per cent of each donor country's GNP to be transferred annually to developing countries. No date for attaining this objective was agreed on but the Pearson Commission on International Development in 1969 recommended that it should be reached by 1975

The total financial flow is made up of both official and private flows, which were as follows in 1969:

	£ million	Per cent of GNP
Gross official flows	210 6	
Net official flows	178 7	0 39
Net private flows	266 8	0 58
Total net financial flows	445 5	0 97

The Aid Programme

Of the gross total of almost £211 million disbursed under Britain's aid programme in 1969 to some 120 developing countries, £179 million was bilateral (country-to-country) aid and nearly £32 million was multilateral aid given through international agencies. Of the bilateral aid £157 million went to Commonwealth countries and £22 million to countries outside the Commonwealth Commonwealth countries in South and South-East Asia received £59 million, those in Africa £56 million. India received most (£34 million), followed by Pakistan (£11 million), Kenya (£8 million) and Malawi (£7 million).

Of the total bilateral aid, £43 million was in financial grants, £44 million in project loans, £49 million in non-project loans and £44 million in technical assistance (which includes the provision of experts, the training of people from the developing countries, research and surveys).

The statistics show the amount of aid given to each of the recipient countries in the form of grants, loans and technical assistance, and also the amounts given in the different fields in which aid is disbursed.

[1] *British Aid Statistics 1965 to 1969*, HMSO, 40s.

Loans

Details are given of the indebtedness of developing countries in amortisation and interest in respect of economic loans already made by Britain. In respect of aid programme loans the developing countries in 1969 paid to Britain £31 million in amortisation and £24 million interest. The total amount outstanding at the end of the year was £1,273 million, consisting of £1,149 million due from Commonwealth countries (£811 amortisation and £338 million interest) and £124 million from non-Commonwealth countries (£98 million amortisation and £26 million interest).

Since the adoption by Britain of a policy of making interest-free loans in 1965 to lighten the continuing burden of indebtedness of developing countries, most new loans have been on interest-free terms. Of the £93 million disbursements of aid programme loans in 1969, 68 per cent was interest-free. New loan commitments entered into in 1969 amounted to £110 million of which 81 per cent was interest-free.

British Persons Serving in Developing Countries

There were 14,287 men and women, financed bilaterally from public funds and recruited in Britain, serving in developing countries at the end of 1969. Of these, 11,141 were serving under the Overseas Service Aid Scheme or similar supplementation schemes (under which they are in the service of the overseas governments as teachers, doctors, nurses, etc., but receive supplementary salary and other payments from the British Government), 770 were serving under regional technical assistance schemes, and 1,896 as volunteers. In addition, United Nations records show that there were 1,241 British nationals serving in developing countries under the U.N. and its specialised agencies at the end of 1969.

Industrial Relations

TRADES UNION CONGRESS 1970

The one hundred and second annual Trades Union Congress (TUC) was held at Brighton from 7th to 11th September. It opened with an address by the President, Sir Sidney Greene, general secretary of the National Union of Railwaymen. The 1,061 delegates then debated a wide range of topics. In particular, the Congress made clear its opposition to legislation in industrial relations and called on the Government to increase the rate of national economic growth.

Address of the President

Sir Sidney began by commenting that, as a result of the change of government following the general election, the Congress was being held in circumstances different from those anticipated last year and he went on to discuss the implications of this new situation for the TUC. Referring to the Government's intention to introduce legislation to improve relationships between management, men and unions, he said: 'The inference that the relationships between unions and managements can be improved by legislation is open to question. I have never found it to be true in the cases I have come across where court action has been taken'. The President stressed that 'many other countries look with envy at the industrial relations methods we have' and that 'any step which is likely to alter drastically our practices and methods is clearly going to be resisted'.

On the role of trades unions in a changing society, Sir Sidney said that 'while in some cases it is argued that the main responsibility of the trades unions is to look after their members and not get involved in the responsibilities of management, there are those people who argue strongly for workers' participation'. Explaining the relationship between these points of view, he said: 'In both cases we are taking a step forward in our attempt to improve the standard of living of the people of this country'.

Referring to the continuous growth during the past 50 years in contacts between the TUC and the government of the day in the field of economic affairs, the President said: 'Our job on the general council of the TUC in discussing matters with governments is to make sure that we have got the right conditions in which standards of living will grow and in which we can extend industrial and social democracy'.

Turning to the present economic situation, Sir Sidney expressed concern about the current level of unemployment and the long-term prospects for the growth of the British economy. He stressed the importance of the continuation of assistance to the development areas and the intermediate areas and spoke strongly against any cutback in public expenditure programmes

On the subject of trade union reforms, the President said 'The changes brought about by economic pressures in this country also create other pressures for change within the trade union movement We have been looking at the functions and structure of the TUC, and unions have been asked for their views on the future structure, not just of the TUC, but the changes required on the part of the unions themselves ' Sir Sidney went on 'I do not think changes can be made in one clean sweep But with the pressures of modern society, the structure of our movement must alter We can only, however, go as fast as our members will allow.'

As a representative of employees of a nationalised industry, Sir Sidney thought that 'it would be in the interests both of the Government and the economy of the country if these industries were given a boost to their confidence and the opportunity to improve their efficiency by greater capital investment' He deprecated any policy of 'taking away successful parts [of nationalised industries] and giving them to private commercial concerns or, as has been suggested, using the staff of the nationalised industries for some kind of wage freeze policy'.

On a wider theme Sir Sidney said. 'In raising the standards of living of the people of our own country, and there is still much to be done, we must not overlook the difficulties of those in the underdeveloped countries of the world and the contribution we have to make if this planet of ours is to be a happier place to live in'.

Trade Unions and Technology

Mr. Victor Feather, general secretary of the TUC, introduced the general council's interim report on the structure, functions and activities of the TUC (see pp. 832), the purpose of the report being to help to fashion a trade union movement better able to improve conditions for working people and the underprivileged. Commenting on the impact of technological change on trade unionists, he said: 'It is the trade unionists in our factories and offices whose skills, intelligence and hard work create the tools and machinery of technological advance. We create the need for technological advance and then work for the social changes which we insist match all these technological changes.' One effect of technological change had been to convince growing numbers of non-manual employees that they needed trade unions. Referring to strike action, he said: 'We emphasise that the use of the strike weapon must be intelligent and

sparing and that no one works in isolation. One man's strike can be another man's lay-off.'

Industrial Relations

In a later speech presenting the general council's report on industrial relations, Mr Feather declared 'History shows that the independence and integrity of trade unions has been the one lasting shield for working people and the spearhead of their progress' Discounting the possibility of improving industrial relations by legislation, he said that industrial relations were very complicated because they were about people 'People just cannot be sorted out into neat little piles and told to stay put. The arrangements by which they live and work together cannot be processed like a can of beans' On the subject of strikes, he calculated that in the first seven months of the year, 6 million working days had been lost through strikes out of a total of 3 000 million days. That meant, he said, that the record was 99 8 per cent. He continued: 'It is not strikes which are the English sickness The real English sickness is self-denigration, a cynical writing down of our own achievements' For a British worker to be on strike was exceptional, and the Government should concentrate on finding jobs for the people who desperately wanted work and on saving the 180 million working days lost each year by unemployment instead of spending time on dubious legal schemes about the 8 million or 10 million strike days. Mr Feather said that the main thing that had struck him in the disputes he had been concerned with was that every one required a different approach. There had to be tailored solutions to the requirements of every industry and perhaps each business 'Penal sanctions', he concluded 'are irrelevant and unnecessary'.

Mr Hugh Scanlon, President of the Amalgamated Union of Engineering and Foundry Workers, moved a motion instructing the general council to give a vigorous lead to affiliated unions in resisting any interference with the trade unions' right of free collective bargaining

Economic Situation

In a discussion on the current economic situation, Mr Feather and other speakers urged the Government to allow the economy to expand in order to raise the rate of economic growth and to reduce unemployment. Mr Jack Jones, of the Transport and General Workers' Union, spoke strongly against any proposals from the Government to restrain wages, particularly in the public sector where, he claimed, workers 'are the lowest earners in British industry'. He continued 'We still have in this country over five and a half million workers getting less than £16 10s, including overtime and bonuses, a week' He said that it would be an 'absolute scandal' if this situation were perpetuated

British entry into the European Economic Community (EEC) was the subject of a major debate and a variety of views were expressed by delegates. A composite motion of opposition to joining the EEC was rejected and the conference supported by a large majority the general council's attitude of reserving judgement until the outcome of negotiations, which the trade unions would hope to try to influence, was known.

Other topics debated during the Congress included ensuring that official contracts were placed only with employers of organised labour, the right of employees to know what assessments had been made of their work, concern for the elderly, selective education, patronage of the arts, public expenditure, equal pay for women, industrial training and public holidays.

At a brief meeting of the general council after the Congress ended Lord Cooper, general secretary of the General and Municipal Workers' Union, was elected chairman of the general council for the coming year.

REVIEW OF TUC STRUCTURE AND DEVELOPMENT

The interim report on the structure and development of the TUC published by the general council as a document for discussion at the Congress,[1] says that 'the environment in which unions operate is changing, and these changes also require changes on the part of the unions'. The changes that have taken place include 'significant changes in trade union membership in different industries—marked declines in mining, railways, textiles and steel for example, and marked increases in trade union membership in the public services and among professional, technical, scientific, supervisory and clerical workers'. In addition, 'there has been a shift towards plant- and office-level bargaining which has to some extent reinforced, but has often developed as an alternative to, industry-wide bargaining'. Accordingly, 'the increasing diversity of members' needs and the changes in bargaining patterns and levels have necessitated changes in the structure of unions, in the services they provide and in their administrative methods' The report reviews the role of the TUC and examines how it 'can help unions to become representative, to improve their effectiveness in collective bargaining, and to use their resources more efficiently and what changes this would require in the structure and functions of the TUC itself'.

Action and Recommendations

Among the subjects which the general council is examining in respect of union representation are: the distribution of trade union membership, methods of encouraging recruitment, assistance in securing trade union recognition, ways of avoiding and resolving inter-union disputes, and opportunities for and obstacles to amalgamation. In the matter of collective bargaining, it is recommended that unions should gather information on non-wage benefits and conditions received by their members, and review their strike techniques, while the general council intends to encourage co-operation between unions, is promoting comparative studies of procedure and wage systems, and is examining whether the TUC should provide, on request, on-the-spot advice in some local negotiations. The general council has examined the role of existing committees and proposes the establishment of a number of industrial committees Within the limits imposed by resources and by the need not to weaken its primary job of formulating policy, the general council is exploring the possibility of developing the TUC's services to the unions in providing economic and collective bargaining information, education and training, press and publications, legal services, health and safety, and trade union administration.

EMPLOYMENT MINISTER'S SPEECH -

In a speech at North Hendon on 19th September, Mr. Robert Carr, Secretary of State for Employment and Productivity, discussed some problems of industrial relations in Britain, criticised the TUC for failing to provide leadership in finding ways to remedy them, and reaffirmed the Government's intention to introduce legislation.

In putting forward the Government's views on industrial relations, he said 'We have no wish or intention to seek a showdown with any trade union. But the Government must itself resist—and encourage all other employers to resist

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[1] *Trades Union Congress Structure and Development*, interim report of the TUC General Council to the one hundred and second annual Trades Union Congress.

wage increases on a scale which cannot be matched within a mile by any conceivable increases in production and efficiency '

Discussing the economic background to the current industrial situation, the Minister pointed out that earnings during the year had been rising six times faster than production and declared that this could not go on unchecked without causing great danger to the future prosperity of the whole country—not least those in the lowest earnings level about whom the trade unions showed most vocal concern. The Government's objective, Mr Carr said, was to bring about higher real earnings for everybody ' But when increases in money wages run ahead like this out of all relation to production they defeat their purpose '

Mr. Carr continued. 'The trade unions want their voice to be heard in the councils of the nation, and so does the Government; but if they want to be listened to, the unions must speak with the voice of realism and responsibility '.

On the subject of strikes, he emphasised that nearly twice as many working days had been lost through strikes in the first seven months of the year as in the same period of the previous year, and he drew attention to the growing number of unofficial strikes. This, he declared, was the negation of some of the most basic principles on which trade unionism had been built. Yet, he maintained, the meeting of the TUC at Brighton had failed utterly to reflect concern or give any leadership in finding ways to remedy the trouble. There had been no concerted new thinking, no united sense of urgency in the national interest The Minister went on 'There are situations in which the ultimate use of the strike weapon is entirely justified, and the right to use it must be vigorously defended But ways must be found to bring order out of chaos, to establish a national framework for the conduct of relationships in industry, to secure the whole community's interest in the responsible exercise of power and authority, and to free the energies of management and trade unions alike for constructive progress. This is why the Government is committed to put a comprehensive industrial relations Bill on the statute book during the first session of the new Parliament '

It was only too evident, Mr. Carr concluded, that trade unions were too weak rather than too strong. He believed that new law would strengthen them while at the same time making them more accountable and responsible to the needs and interests of their members and the nation as a whole. Details of the Government's proposals for new legislation would be published in the next few weeks

Lloyds Bank/Bolsa Merger

It was announced in London on 1st September that the Bank of London and South America (BOLSA) is expected to become a subsidiary of Lloyds Bank. The two banks have agreed in principle on a merger between BOLSA and Lloyds Bank Europe to create a new international structure designed to provide a world-wide banking service.

Subject to further discussions, the merger is to be effected by the acquisition of the whole of the issued share capital of Lloyds Europe, a wholly-owned subsidiary of the clearing bank, by BOLSA in exchange for BOLSA shares. As a result, Lloyds, which already holds over 25 per cent of the BOLSA equity, would increase its stake to just over 50 per cent.

The merger would give BOLSA access to European business, where its representation is at present small, and thereby further expand the development of its international activities.

Lloyds Bank Europe, with some 20 branches in France, Switzerland, Belgium and Holland, has rapidly extended its parent company's international connections, which also include a 41 per cent interest in National and Grindlays.

Fourteen per cent of BOLSA equity is held by the US bank Mellon International, which supports the merger proposal and is expected to retain its connection with the new group.

Oil Pollution at Sea

PREVENTIVE MEASURES AND METHODS

The causes and effects of oil pollution at sea and the counter-measures being taken by Britain through both domestic and international action are described in a supplement to the *Board of Trade Journal* of 9th September. Since 1969 the Board of Trade has been responsible for dealing at sea with oil threatening coastal pollution.

The problem is world-wide although it particularly affects Britain, which imports nearly 100 million tons of oil a year and close to the shores of which sail many of the tankers bound to and from refineries in north-west Europe.

Causes

Oil pollution at sea is caused partly by accidents, as in the *Torrey Canyon* disaster of 1967 [see 28.4 67 pp. 463-5 and 31.1.69 pp 140-4], but mainly by the discharging of oily ballast and cleaning water from ships going about their normal business. Oil tankers usually carry their cargo in one direction and return in ballast. This means carrying sea water in some of the cargo tanks and discharging it before the tanker is loaded again. Although the oil content of the discharge might only be about 0·4 per cent, this could, in a large modern tanker amount to several hundred tons.

Tankers leaving port with some tanks ballasted normally clean the other tanks in the early part of the voyage. These clean tanks can then be ballasted while the tanks which first contained ballast water are emptied and cleaned so that the ship arrives at its loading port with only clean ballast to discharge. But there is still the problem of getting rid of the oily water resulting from the cleaning operation and the original ballast water. As oil floats on top of water it is possible on a long voyage to rely on the natural process of separation, and the bulk of the original ballast and cleaning water can then be discharged without polluting the sea. A resdue of oil mixed with water remains and this must, under existing law, be discharged ashore, retained in the ship or discharged at sea outside the prohibited zones (see 835). Oily residues are from time to time discharged illegally.

Effects

Oil pollution at sea is mainly caused by so-called ' persistent ' oils, which include crude oil transported in bulk for refining, and heavy fuel, diesel and lubricating oils which are used in the engines of most modern ships. ' Non-persistent ' oils, such as petrol, are highly volatile and evaporate quickly, leaving little or no residue behind them.

Persistent oils discharged into the sea usually spread on the surface in thin films so that a small quantity can quickly cover a very wide area in relation to

volume. The volatile elements evaporate quickly after discharge and the residue tends to form an emulsion with sea water which can be difficult to disperse. In addition, some oils form the waxy lumps which persist for a long time and are a familiar feature of polluted beaches.

Oil on the surface of the sea is extremely harmful to sea birds, especially diving species, but is virtually harmless to marine plant and animal life except when deposited in the inter-tidal zone, when it can foul and kill or damage many organisms. Oil on shore needs large expenditure on clearing operations and can threaten the tourist industry

Preventive Measures

Once oil is in the sea, according to the Board of Trade, no cleansing method is fully effective or free from disadvantage Thus the only satisfactory solution is to reduce the amount of oil discharged into the sea

Governments have jurisdiction over all ships within their territorial waters, but on the high seas their jurisdiction is limited to ships flying their own flag. Since 1922 British law has prohibited the discharge of oil or oily mixtures into British territorial waters and harbours

International Agreements

The British Government has taken the lead in seeking international agreement to limit oil pollution As a result of British initiative a conference was held in London in 1954 at which the International Convention for the Prevention of Pollution of the Sea by Oil was drawn up. This convention, which now has 42 contracting countries, is the basis of laws on oil pollution of all the major maritime countries. The convention prohibited the discharge of persistent oil or a mixture containing 100 parts per million or more of such oil within prohibited zones of 50 miles from land and in wider zones in specially sensitive areas such as the North Sea and the eastern Atlantic It also obliged ships to carry an oil record book in which certain operations involving oil would be recorded. One important resolution declared that a complete ban on the discharge of persistent oils into the sea should be observed from the earliest practicable date. A further conference to review the working of the convention was held in 1962. By that time the newly formed Inter-governmental Maritime Consultative Organisation (IMCO), with headquarters in London, had taken over responsibility for the international convention. As a result of this conference, also held in London, a number of amendments were made to the convention. The prohibited zones were extended 100 miles along many coasts, the Atlantic zone was enlarged and the whole of the North Sea became a prohibited area. Under another amendment new ships over 20,000 gross tons were forbidden to discharge oil or oily mixtures anywhere at sea and not only in prohibited areas.

On a proposal by the British Government, following research at the Ministry of Technology's Warren Spring Laboratory, amendments were made to the international convention in October 1969, whereby the whole sea will become a prohibited zone and there will be a ban on discharges of persistent oil which exceed the instantaneous rate of discharge of 60 litres of oil per mile travelled by the ship. There will also be a complete ban on discharge of persistent oil from the cargo spaces of tankers within 50 miles of land. The amount of oil which may be discharged by a tanker on a ballast voyage will be limited to 1/15,000 of its cargo-carrying capacity. These amendments will come into force one year after their acceptance by two-thirds of the contracting governments.

As a result of the British initiatives in IMCO since the *Torrey Canyon* disaster of 1967, an international convention was signed by 20 countries in

November 1969, which would permit victims of oil pollution damage to claim compensation from shipowners and insurers up to higher limits and in wider circumstances than at present. In particular, the convention permits cleaning-up and preventive costs to be included in claims. Further, IMCO is now examining the possibility of establishing an international fund to compensate victims of oil pollution damage where the compensation payable under the 1969 convention proves insufficient. Tanker owners have already set up a voluntary scheme which provides compensation for damages up to £4·2 million per incident.

British Laws and Enforcement

The Oil in Navigable Waters Act 1955 put the 1954 convention into effect as regards British ships. It also made it an offence for ships of any nationality and places on land to discharge oil of any kind into British territorial waters the penalties being £1,000 on summary conviction or an unlimited fine on conviction upon indictment. The more stringent requirements in the 1962 amendment to the international convention became law for British ships when the Oil in Navigable Waters Act 1963 came into force in May 1967. In 1969 Board of Trade surveyors carried out 2,267 inspections of ships under these Acts. There were 80 prosecutions resulting in 77 convictions, compared with 62 in 1968 and 59 in 1967.

The 1969 amendments to the international convention will be accepted by Britain when a new Oil in Navigable Waters Bill now before Parliament becomes law. The Bill also strengthens some of the provisions of the 1955 Act Britain also intends to ratify, as soon as possible, a public law convention adopted in 1969 which relates to the right of a coastal state to intervene on the high seas when casualties to ships cause or threaten oil pollution damage.

New Methods and Equipment

As a result of the ' load on top ' method of dealing with oil residue from dirty ballast and cleaning water pioneered by the Shell group and adopted by 80 per cent of the world's tankers, nearly 2 million tons of oil a year are retained instead of being discharged into the sea.

Where oil has to be cleared up at sea, the most effective method, in the opinion of British experts, is to disperse it. This is done by spraying the oil with a chemical usually consisting of a hydrocarbon solvent and an emulsifier and then stirring the treated oil into the sea. This method was used at the time of the *Torrey Canyon* incident. The stirring was done from fire hoses or by relying on the agitation of the propellor of the spraying boat.

As a result of a long series of experiments carried out at the request of the Board of Trade at the Warren Spring Laboratory, new equipment has been evolved which can be attached to the rail of the spraying vessel. Contracts have been placed and the equipment will be ready for use later in 1970. It will be held at 30 selected ports together with stocks of dispersant, and arrangements are being made for hiring tugs at short notice when required. In Scotland, the Department of Agriculture and Fisheries has agreed that two fishery patrol vessels should be permanently equipped for spraying operations to deal with oil spillages along the north coast of Scotland and round the Orkney and Shetland Islands.

Low toxicity detergents have also been developed, one of which will be issued with the new equipment.

When the scheme comes into full operation later in 1970, a spraying vessel should be able to set out for an oil pollution incident within four to six hours of its being reported, and to deal with some 150 tons of oil a day.

English Tourist Board

FIRST ANNUAL REPORT

The annual report[1] of the English Tourist Board, covering the first months of the board's existence, was published in September. The report describes the establishment of the board following the passing of the Development of Tourism Act and states that during its first months the board concentrated on ' defining the scope of its interests and responsibilities with particular reference to those of the British Tourist Authority and of the other country boards '. It states the objectives and policy of the board under three headings—statutory commitments, market and product policy, and organisation policy- and reviews the progress made by the board in establishing a firm regional organisation

Financial Assistance for Hotel Development

The report reviews the work performed by the board in dealing with applications for financial assistance under Part 2 of the Act It states that before the end of the financial year, 15 grants to the value of £116,000 were paid, and further grants making up a total of £3 1 million had been approved. No loans were made in the financial year under review

The report concludes that the board has as yet made no more than a modest beginning in its task but that it is determined to ensure that market demand is matched by the facilities in England and ' to lift and maintain standards to meet the most rigorous international comparisons '

[1] Available from the English Tourist Board, 4, Grosvenor Gardens, London SW1. 4s.

Population Statistics

The Registrar-General's quarterly return[1] for the March quarter, 1970, was published on 4th September. It contains details of the current projections of the population of England and Wales, as well as an analysis of population figures for intermediate areas, migration data for the United Kingdom for the year 1969 and details of abortions during the March quarter, 1970.

Population Projections

The projections indicate that the population of England and Wales will increase by 9·7 million between 1969 and 2001. This growth is made up of projected increases over the period of 2·8 million in the under-15 age group, which will reach 14·3 million by 2001; 6 million in the 15 to retirement age group, which will reach 35·7 million; and 0·8 million in the retirement age group, which will reach 8·5 million.

The projected increase is less than that calculated a year earlier as a result of a downward revision in estimates of the average family size (from 2·5 children to 2·4). The basic reason for the projected rise in the total number of births is the increasing number of women of child-bearing age.

Intermediate Areas

For the first time, population figures are published for the six intermediate areas which were defined following the report of the Hunt Committee.[2] In terms of population the largest is the Yorkshire coalfield area (about 1,114,000 population at mid-1968) and the smallest is the Nottingham/Derbyshire coalfield area (185,000), the others being the Plymouth area (298,000/, north Humberside (470,000), north-east Lancashire (472,000), and the coastal belt of south-east Wales (591,000).

From 1951 to 1968 all the areas lost population through migration at some time, and north-east Lancashire and north Humberside experienced net outward migration throughout the whole period. As a result of an excess of deaths over births from 1951 to 1961 the population of north-east Lancashire registered an overall decline of 30,000 between 1951 and 1968.

Between 1951 and 1966 there was a decline in all the areas in the proportion of population in the working age groups and a corresponding increase in the proportion in dependent age groups, reflecting a national trend.

Overseas Migration

It is estimated that in 1969, excluding movements between the United Kingdom and the Irish Republic, some 293,000 people emigrated from the United Kingdom compared with 206,000 arrivals, resulting in a net outward

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[1] *The Registrar-General's Quarterly Return for England and Wales, No. 486*, HMSO, 4s 6d.

[2] *The Intermediate Areas*, Cmnd. 3298, HMSO, 26s [see 9.5.69 pp. 447-9 and 27.3.70 pp. 310-12]

UNITED KINGDOM MIGRATION

	Gross inflow	Gross outflow	Net outflow
1968	222,000	278,000	56,000
1969	206,000	293,000	87,000

movement of 87,000 This compares with the net outflow figure of 56,000 people in 1968, the increase resulting from a larger gross outflow and smaller gross inflow

The fall in the gross inflow mainly reflected a drop in the number of Commonwealth immigrants, particularly from India, Pakistan and Ceylon, while the rise in the gross outflow was largely a result of an increase in the number of United Kingdom citizens emigrating to Australia

Abortions

There were 17,742 abortions notified in England and Wales in the March quarter of 1970, 1,914 more than in the previous quarter. The proportion of abortions treated in approved places in the North West Metropolitan Hospital Region constituted 74 per cent of all abortions treated in approved places in England and Wales. Of the total number of women who had abortions, 44 per cent were married and 47 per cent were single, and 74 per cent had abortions on the ground of risk of injury to their physical or mental health

Education

Some recent developments in education in Great Britain are summarised below

COMPUTING FOR UNDERGRADUATES

The importance of teaching computing to all undergraduates is emphasised in a report *Teaching Computing in Universities* (HMSO, 2s 6d) published recently The report was prepared by a joint working party of the University Grants Committee and the Computer Board for Universities and Research Councils which was set up in 1966 to provide computers for research purposes in universities. The working party's terms of reference were to review the teaching of computing generally, to assess the teaching requirement and its financial implications, and to consider the most effective organisational arrangements as between the committee and the board.

Introductory Course

In recent years, the working party found, the computing power of universities has grown greatly through grants from the computer board. Because the board's terms of reference cover the provision of computers for research only, however, teaching needs have not been met, leaving an imbalance which, in the working party's view, must be redressed. It recommends, therefore, that the board's terms of reference be widened so that it can provide machines for teaching

purposes, and the Government's acceptance of this recommendation is recorded in the foreword to the report.

The working party points out that this change in itself will not be sufficient to meet the demands of the future—there is an urgent need to stimulate the teaching of computing. One reason for the setting up of the working party in 1968 was the growing concern about the teaching of computing, not so much as a specialist subject in computer science departments, but to undergraduates in general. Computers are being widely used not only for processing but for storing information. In the future it is probable that they will be regularly used in arts departments as well as in science and engineering. Moreover, graduates from all disciplines will be filling leading posts in industry, business, central and local government, education and research of all kinds. The working party therefore recommends that introductory courses in computing should be given to all undergraduates and thinks that this could be arranged by 1972-73. When all postgraduates have had a computing course as undergraduates, it should generally be possible to arrange for any more advanced tuition they may need on an individual basis. In the meantime, the working party thinks, postgraduates should be able to get initial instruction by being attached to suitable undergraduate courses

Cost

The cost of these proposals is estimated at £1,825,000 in 1970-71, £1,050,000 in 1971-72, and £650,000 in 1972-73, which the report describes as 'a modest investment' which would be reduced after integration with the computer board forecasts. 'We cannot estimate the returns on this investment', the working party concludes, 'but we are satisfied that they will be very great'

FURTHER EDUCATION IN ART AND DESIGN

Reforms in the system of further education courses in art and design in the local authority sector are recommended in a report *The Structure of Art and Design Education in the Further Education Sector* (in England and Wales) prepared by a committee under the chairmanship of Sir William Coldstream (HMSO, 7s The committee was set up jointly by the National Advisory Council on Art Education (which advises the Secretary of State for Education and Science on further education in art) and the National Council for Diplomas in Art and Design (which administers the award of the diploma—DipAD—a qualification in art and design which is broadly comparable to a first degree)

Two Course Structures

The report recommends the continued operation of DipAD courses similar in form to the present three-year course but modified to permit a greater flexibility of approach. These are called Group A courses and would normally be preceded by a one-year foundation course. Another course structure should also be introduced, called Group B courses. These would last four years and would be directed more specifically towards industrial and professional design practice. They would be sandwich courses in which a period of between three and twelve months would be devoted to industrial or professional experience

Central control over foundation courses is proposed, in order to ensure that the number of people preparing for diploma courses is related to the number of diploma places available. The committee advocates that the diploma should be recognised as fully corresponding with a degree in all respects.

Technician Courses

The committee also considered technician courses (vocational courses) which are outside the DipAD system. It recommends that a central body be set up to review, plan and co-ordinate a national pattern of design technician courses. This body would reflect the interests of art and design education and of industry, commerce and the professional world. Some of the courses could be included within the broadened diploma structure recommended by the report.

Art Colleges and the Community

The report suggests that art colleges should engage the interest of the local community by staging exhibitions and displays, and that they should play an active part in environmental matters such as the preservation of buildings. They could also make part-time classes available to people who, in their leisure-time, wished to paint or practise a craft or study art and design in other ways.

INQUIRY INTO TEACHER TRAINING

Outline proposals for an inquiry into the education and initial training of teachers were announced by Mrs Thatcher, Secretary of State for Education and Science, in a letter sent to local authority and teacher associations on 13th August. She had in mind, she said, the establishment of a small committee under a full-time chairman and with mainly full-time members, which would undertake an intensive inquiry of relatively short duration (in view of the current investigations by the Area Training Organisations [see 24.4.70 p. 426] and evidence published by the House of Commons Select Committee, 1969-70, on the Provision made for the Training of Teachers).

Although the precise terms of reference would not be settled until consultation had been completed, Mrs. Thatcher explained, she intended the committee to have a 'close look' at the three-year certificate course, the one-year post-graduate course, and the B Ed course to see whether any changes were desirable to make them more appropriate to the needs of students and schools. Mrs. Thatcher was also concerned that the committee would find a way to break down the isolation of colleges of education so that a growing proportion of intending teachers were trained side by side with students who were either vocationally uncommitted or committed to other careers. This would involve the committee in a wider consideration of what, in relation to the training of teachers, should be the roles of colleges of education, polytechnics and other further education colleges, and universities.

Commonwealth Broadcasting Conference

The eighth Commonwealth Broadcasting Conference was held in Jamaica from 2nd to 15th June.[1] The conference, which began in Kingston, continued in Ocho Rios and ended in Montego Bay, was attended by 76 delegates representing the following 29 of the 37 Members: Australia, Bahamas, Barbados, Belize (British Honduras), Britain, Canada, Cyprus, Fiji, The Gambia, Ghana, Guyana, Hong Kong, Jamaica, Kenya, Lesotho, Malawi, Malta, New Zealand, Nigeria, Pakistan, Sierra Leone, Singapore, St Kitts-Nevis-Anguilla, Swaziland, Tanzania,

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[1] For information about previous conferences, see COI reference paper *Commonwealth Broadcasting Co-operation*, R.5714/70.

Trinidad and Tobago, Uganda, the Windward Islands and Zambia. The remaining members, which were unable to send delegations, are Antigua, Botswana, Ceylon, India, Malaysia, Mauritius, Seychelles and the British Solomon Islands. The Director of Information of the Commonwealth Secretariat, Mr. Donald Kerr, representing the Commonwealth Secretary-General, attended the conference as an observer.

At the end of the conference a communiqué was issued summarising its conclusions, the substance of which is given below.

Mutual Co-operation

The theme of the conference was 'Practical Suggestions for Multilateral Co-operation in Broadcasting'. In particular the conference took steps for such co-operation to be secured by the grouping of member organisations on regional and other workable bases, and either endorsed or itself originated the proposed operation of such arrangements in the Caribbean, West Africa, and East, Central and Southern African areas.

Effective avenues of mutual co-operation were identified in fields of programme interchange and programme and technical training; in assistance in the maintenance and operation of broadcasting equipment and installations, and, where governments of developing countries established the priority they attached to broadcasting, in the mounting of task forces from within the resources of the conference itself to provide major technical and other professional aid

Public Service Broadcasting

The conference was unanimous in its view that a concept of public service broadcasting was vital both to developing and developed countries as an instrument in promoting social, cultural and economic aspirations It also emphasised the need for governments responsible for the introduction of broadcasting in their countries to ensure the continuation and development of public service broadcasting before permitting the introduction of competitive elements (including cable television as well as other forms of commercial broadcasting) The obligation of national broadcasting systems to promote and encourage local activities and local culture in the form of indigenous programming was reaffirmed.

In this connection, there was further agreement that, where they existed local languages played a significant part in the cultural development of a country It was appreciated, however, that where English remained a valuable language of broadcasting communication it might be maintained. Moreover, English had become an international norm, and it was therefore necessary to guard against its deterioration where it was used if its value as a means of intercomprehension was to be preserved.

Eligibility for Membership

The conference gave careful consideration to the question of eligibility for membership and agreed that the factors to be taken into account should include whether the applicant was a national public service broadcasting organisation, the way in which the organisation was constituted and financed, and the purposes to which its profits were to be applied.

The Conference Secretariat

In view of the diverse broadcasting systems in operation in member countries the value of the Conference Secretariat as a repository of broadcasting expertise

was emphasised. Through the Secretariat member countries could draw on the collective experience of the conference for constructive advice on the establishment, reorganisation and management of national broadcasting systems and the conference could thus also advise on the desirability of arrangement with management contractors.

The Broadcasting Media

The conference accepted the view that in most parts of the Commonwealth television was a medium of great impact, but recognised that radio remained an intensely potent means of communication in developed as well as in developing countries. Indeed, it was seen that radio had assumed a new role in the age of the transistor. In most countries an increasingly mobile population constituted a substantial audience and radio still represented a more convenient vehicle for encouraging audience participation.

As regards television, it was agreed that a catalogue of appropriate technical material relating to colour television should be prepared to assist member countries considering its introduction. The distribution, both internationally and domestically, of television programmes by satellite, and the technical and legal implications of direct-to-home transmission by satellites were also examined

Public Affairs Broadcasting

In considering the responsibilities of its members as public service broadcasters in both media, the conference firmly re-emphasised the paramount importance of preserving the integrity and authority of news and public affairs broadcasting and its freedom from all forms of pressure.

Training

The conference gave particular attention to the training needs of member organisations, especially in those countries still at the developing stage. Concern was expressed at the increasing difficulties experienced in raising finance for training programmes and facilities, and it was felt that sufficient priority was not being accorded to broadcasting as a major instrument of national development. The conference therefore recommended that, with the assistance of the Commonwealth Secretariat, the strongest possible approach should be made to governments through the Commonwealth Prime Ministers. The conference was to request a reassessment of the priority governments accorded to broadcasting as a crucial factor in the tone of national life, and to urge that broadcasting could not be effective unless those engaged in it were properly trained.

Educational Broadcasting

Conference delegations included leading education experts from member countries, and papers dealing with developments in educational broadcasting in all parts of the Commonwealth were tabled and discussed. It was agreed that conference resources should be devoted, where practicable, to the assistance of education authorities in appreciating the potential of radio and television in educational broadcasting, and, in particular, to a more extensive and effective utilisation of school broadcasts.

The conference noted the exciting concept of the Open University recently established in the United Kingdom, and the acknowledgment of broadcasting through the BBC as an integral part of the university's activities. The conference welcomed a visit by the Vice-Chancellor of the Open University, Dr. Walter

Perry, and the opportunity to learn from Dr. Perry at first hand the progress of this unique institution.

The Next Conference

The invitation of the Voice of Kenya to host the ninth conference in Nairobi in 1973 was accepted with appreciation. The conference set up a standing committee consisting of the following members, who will provide a frame of reference until the ninth conference: Mr. Wycliffe Bennett, General Manager of the Jamaica Broadcasting Corporation; Mr. Charles Curran, Director-General of the British Broadcasting Corporation; Mr. Richard Koske, Director of Broadcasting, Voice of Kenya; Dr. George Davidson, President of the Canadian Broadcasting Corporation; Mr. Erasmus Victor Badejo, Director-General of the Nigerian Broadcasting Corporation; Mr. Talbot Duckmanton, General Manager of the Australian Broadcasting Commission; and Mr. Mafizur Rahman, Director-General of Radio Pakistan

Government and Administration

Her Majesty's Chief Inspector of Constabulary for Scotland. Annual report for 1969	Cmnd. 4396 HMSO, 3s
Non-Custodial and Semi-Custodial Penalties. Report of the Advisory Council on the Penal System (see pp. 813-15)	HMSO, 11s
Council on Tribunals. Report for the period 1st Jan 1969 to 29th May 1970. House of Commons Paper 72	HMSO, 4s 6d
Criminal Law. Report on Offences of Damage to Property. Law Commission report (No. 29), recommending the simplification of the criminal law covering damage to property, an extension of the courts' powers to order offenders to pay compensation, and the abolition of the offences of arson and damage to naval ships and dockyards. House of Commons Paper 91	HMSO, 6s
Northern Ireland	COI, R 5881/70

External Affairs and Defence

Austria. Extradition treaty between Britain and Austria with amending protocol	Cmnd. 4438 HMSO, 2s 3d
Council of Europe. European agreement relating to persons participating in the proceedings of the European Commission and Court of Human Rights	Cmnd. 4447 HMSO, 1s 9d

Economic and Scientific Affairs

Indonesia. British Aid. Exchange of Notes concerning an interest-free development loan by Britain to Indonesia	Cmnd. 4419 HMSO, 2s
Industrial Property. International convention further revising the Paris convention of 1883 for the protection of industrial property	Cmnd. 4431 HMSO, 5s 6d
Molecular Biology. Agreement establishing the European molecular biology conference.	Cmnd. 4450 HMSO, 3s
Coal Prices. Second report (No. 153) of the National Board for Prices and Incomes.	Cmnd. 4455 HMSO, 9s 6d
Carpet Industry Training Board. Report and accounts for the year ended 31st March 1970.	HMSO, 2s 6d
Printing and Publishing Industry Training Board. Report and accounts for the year ended 31st March 1970	HMSO, 2s 3d
Cotton and Allied Textiles Industry Training Board. Report and accounts for the year ended 31st March 1970	HMSO, 2s

Shipbuilding Industry Board. **Report and accounts for the year ended 31st March 1970, together with the Comptroller and Auditor-General's report on the accounts.**	**HMSO, 2s 3d**
The Wash: Estuary Storage. **Report from the Water Resources Board outlining plans for the conversion of 15 per cent of the area into reservoirs to serve south-east England.**	**HMSO, 21s**

Social and Cultural Affairs

Structure of Art and Design Education in the Further Education Sector. Department of Education and Science. National Advisory Council on Art Education (see pp. 840-1)	HMSO, 7s
Taken for Granted. Report of the Working Party on Sewage Disposal. Ministry of Housing and Local Government and Welsh Office	HMSO, 10s
*New Clyde Planning Bod*y The Secretary of State for Scotland, in consultation with the Clyde Valley Planning Advisory Committee, has set up a new body, the West Central Scotland Steering Committee, to co-ordinate planning in west central Scotland The committee's main function will be to prepare and keep up to date an advisory economic and physical plan for the area as a guide to local planning authorities and developers	Press release Scottish Office 16 9.70
Twenty-one Years of Conservation. Published by the Nature Conservancy, which was established in 1949 and forms part of the Natural Environmental Research Council	Bertram Books, 501 Earlham Road Norwich NOR 04G, 5s
Housing in Britain.	COI, RF P 5875/70
Youth Service. Fact Sheet on Britain	COI, R.4735/C4

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Contents

Northern Ireland

CHANGES IN COMMAND OF POLICE AND ARMY

Announcements of the forthcoming retirement, at their own request, of Sir Arthur Young (in November) and Lieutenant-General Sir Ian Freeland (in February 1971) from their respective positions of Chief Constable of the Royal Ulster Constabulary (RUC) and General Officer Commanding (GOC), Northern Ireland, were made on 23rd September

The Northern Ireland Police Authority said, in a statement, that Sir Arthur Young was returning to his position as Commissioner of the City of London Police [from which he was seconded in October 1969 for one year—see 7.11.69 p 984], and would be succeeded by Mr. R. F. G. Shillington, the Deputy Chief Constable who, in turn, would be succeeded by the Assistant Chief Constable, Mr. J B. Flanagan [a Roman Catholic]. The new appointments will take effect from 16th November.

The Ministry of Defence announced that Lieutenant-General Freeland was due to retire from the army in February 1971 and would be succeeded as GOC Northern Ireland by Major-General V. F. Crum in the rank of Lieutenant-General. In granting his application to retire, the Secretary of State for Defence, Lord Carrington, expressed his appreciation of the distinguished services that General Freeland had rendered in the discharge of his arduous duties in Northern Ireland and the inspiring leadership he had given to the security forces under his direction.

Home Office Statement

Tributes to Sir Arthur Young were paid by the Prime Minister of Northern Ireland, Major Chichester-Clark, and the British Home Secretary, Mr. Reginald Maudling, whose statement went on to explain that Sir Arthur wished to return, as had always been his intention, to the City of London Police. His task in the twelve months in which he had been Chief Constable of the RUC—during which he had provided unique leadership and made a historic contribution to the RUC and to Northern Ireland—had been to give effect to the recommendations of the Hunt Committee [see 7.11.69 pp. 980-3] and to provide a bridge between the old and the new force leading it to a position in which it would in the normal course provide its own leaders who would command the confidence of everyone in Northern Ireland. He had, by his professional and personal qualities, virtually completed this task. In view of the impending retirement of the GOC Northern Ireland, Sir Arthur had felt that he wanted to hand over to his successor in time to ensure that the leadership was fully established before the change in army command took place.

Further Steps towards Integration of Police Forces

'It is also important', Mr. Maudling's statement continued, 'to integrate the RUC progressively with the police forces of the rest of the United Kingdom in accordance with the Hunt recommendations. With this end in view it has been agreed, as announced by Major Chichester-Clark in his capacity of Minister

of Home Affairs,[1] that inspections of the RUC shall be carried out by one of Her Majesty's Inspectors of Constabulary. Arrangements are also being made for regular exchanges between the RUC and other police forces in the United Kingdom. The objective is to establish the closest possible association between the RUC and other British police forces. The decision of the Northern Ireland Police Authority that for future appointments to senior ranks of the RUC they will normally prefer candidates who have some experience of a service other than the RUC is another important step in this direction.

'The new Chief Constable will continue the policies founded on the Hunt Committee report which have been firmly laid down by the Northern Ireland Government. The RUC will continue to be a civilian unarmed force at the service of the community as a whole. The reforms that have been faithfully carried out will . . . provide a basis for proper policing in Northern Ireland in which all sections of the community can have confidence and can participate. It is essential for the long-term peace and good government of Northern Ireland that this should develop.'

[1] Major Chichester-Clark took over responsibility for Home Affairs in Northern Ireland on the resigna-

The Middle East

THE SITUATION IN JORDAN

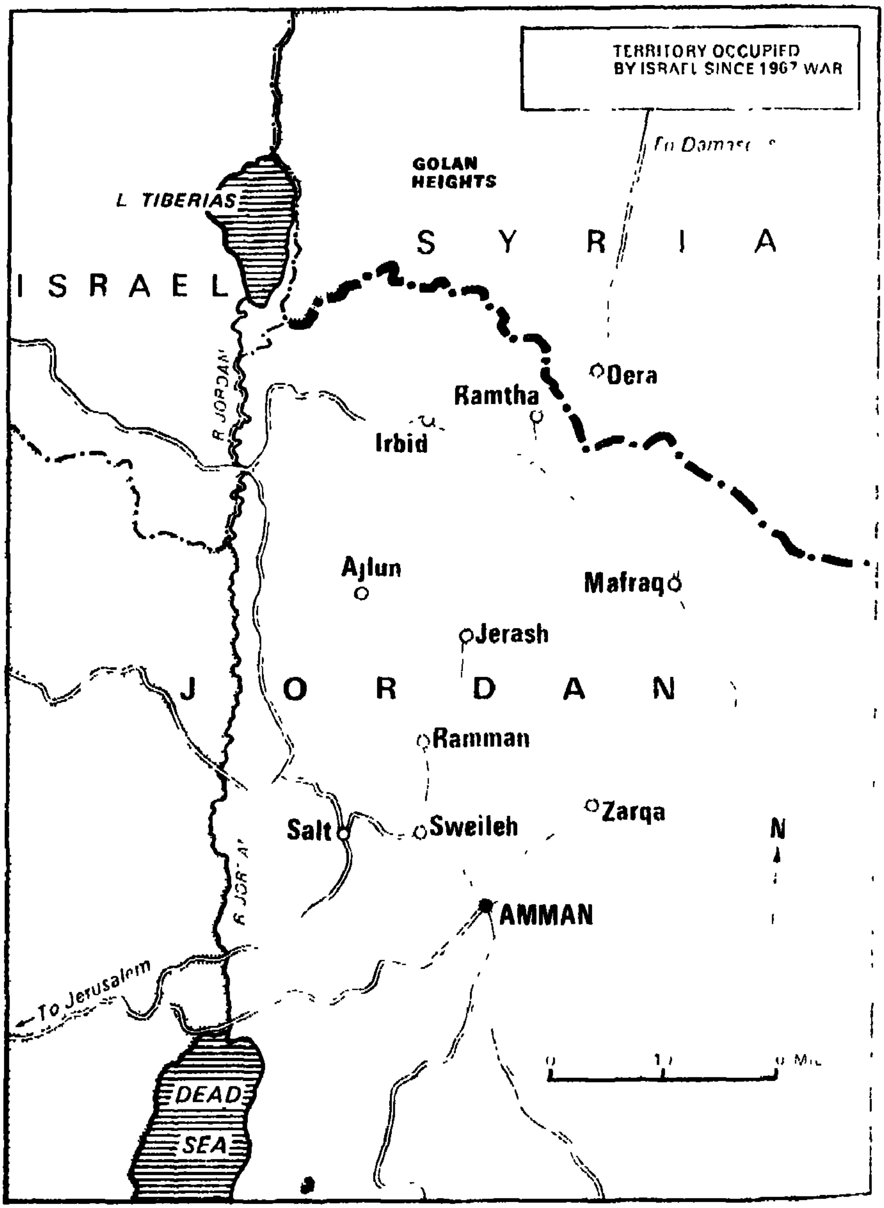
Clashes between the Jordanian army and the Palestinian *fedayeen* organisations have been almost continuous since late August [see 25.9.70 pp. 824-5] and the appointment of a military Government on 16th September was followed by the outbreak of a full-scale civil war. The decree appointing the new Government spoke of 'hostile elements' in Jordan which had sought to create enmity between Jordan and other Arab Governments and to split the army: the new Government would be transitional and would 'restore matters as they should be'. At the same time King Hussein ordered the new Government to co-operate with 'honest commandos' and to honour the commitments made in agreements with the *fedayeen*. The new Government said that it would honour the agreement negotiated under the auspices of the Arab League's conciliation committee for a permanent cease-fire made by Mr. Rifai's Government on 15th September prior to its resignation but it also ordered the *fedayeen* militia to hand in their arms to the central *fedayeen* organisations.

Al-Fatah radio described these developments as a 'military coup designed to plunge the country into a sea of blood': Mr. Yassir Arafat, now appointed commander-in-chief of all *fedayeen* forces, called for the resignation, or overthrow, of the military Government, and for the formation of a national coalition government in which the guerrillas were represented. The Central Committee of the Palestine Liberation Organisation (PLO) [see 25.9.70 p. 824] called for a general strike on 17th September to unseat the new Government: at the same time Mr. Arafat appealed to the Arab League to discuss urgently the developments in Jordan.

Each side blamed the other for initiating the fighting, which on 16th September was reported in Amman and Zarqa. In the course of it Jordanian army units appear to have launched a co-ordinated drive against the *fedayeen*, involving during the following week bitter fighting in Amman and the north Jordan area, and, at one stage, incursions by Syrian army units in aid of the *fedayeen*. Throughout this period the situation was extremely confused: most normal channels of communication with Jordan were broken and much reporting was forced to rely on the conflicting radio broadcasts.

Fighting in Amman and Northern Jordan

By 17th September it was apparent that the Jordanian army had mounted major operations against the guerrilla strongholds in Amman, where a total curfew was imposed, and northern Jordan. While armoured units supported by artillery moved into Amman, meeting stubborn resistance, fierce fighting was also reported in the northern towns of Irbid, Ramtha, Zarqa and Salt. Field-Marshal Majali, the new commander-in-chief and military governor of Jordan, offered the *fedayeen* a last chance to 'save their lives', and advised the guerrillas to leave the cities for the front area with Israel, an offer rejected by the guerrillas, whose Central Committee appealed to the Iraqi army to



intervene [about 12,000 men of the Iraqi army have been deployed in the Mafraq area since the June 1967 war]. An army communiqué claimed that control had been restored in Zarqa, and that the army was in almost full control of Amman; the guerrillas in turn claimed control of all northern Jordan, which they declared a ' liberated zone ' with a ' revolutionary government '. It was against this area that on 18th September the Jordanian army launched a major armoured offensive, including an attack on Ramtha, aimed in part to cut the guerrilla's reinforcement and supply routes from Syria. It was also reported that units of the Palestine Liberation Army (PLA)—the PLO's regular armed forces, formed since 1964

and numbering about 12,000 men—had entered Jordan from Syria and had deployed in the Ramtha area; during the evening the army halted its offensive and pulled back to positions around Irbid. In Amman, after a day of intense fighting, during which it was reported that the Jordanian army was using artillery against guerrilla strongholds, Field-Marshal Majali called a temporary halt to the fighting, warning the guerrillas that unless they evacuated the city the army would raise the 'level of retaliation'. Mr. Arafat ordered the *fedayeen*, by radio, to continue fighting.

Arab Mediation: British Statement

Meanwhile, other Arab Governments were increasing their efforts of the past weeks to promote a settlement of the conflict. On 17th September it was reported that the Arab League would hold a 'summit' conference on the crisis in Jordan; the decision came after a meeting in Cairo between President Nasser of the United Arab Republic (UAR) and Colonel Qadhafi, the Libyan leader. They, together with President Nimeiri of the Sudan, sent a message to King Hussein and Mr Arafat; the message, delivered by General Sadeq, the Egyptian Chief-of-Staff, appealed for restraint by both sides and an end to hostilities. The Jordan military Government announced that it was prepared to accept a cease-fire if the guerrillas withdrew from the cities and towns.

A British Government statement of 17th September called on the Jordan Government to ensure the safety of British lives and property in Jordan, and called on 'those with hostages in their hands (see pp. 860-1) to safeguard the lives of those hostages and of all other foreign nationals'. Both the British and American Governments made preparations for the evacuation of their nationals.

Syrian Intervention

During 19th September fighting continued for the control of the Irbid/Ramtha area, and in Amman, where reports indicated the increasing use of heavy weapons against the guerrillas. On two occasions cease-fires were reported to have been accepted by the Government but rejected by the *fedayeen*, although reports indicated that the army was gaining the upper hand both in Amman and the north. A new factor entered the situation when Syrian armoured units apparently intervened in the battle in the north. King Hussein accused Syria of moving armoured units into Jordan to engage the Jordanian army; the charges were denied by the Syrian President, Mr. Atassi; Damascus radio claimed that the tanks were part of the PLA. [On 20th September a *Reuter* correspondent reported that the tanks had PLA markings, although military analysts had not previously credited this force with armoured units.]

According to an Amman radio broadcast of 20th September the Syrian force of two armoured brigades had made two thrusts, deploying in the Irbid/Ramtha/Jerash triangle; both advances were checked by the 40th armoured brigade the report added. In Washington the United States Secretary of State, Mr. William Rogers, confirmed that Syrian tanks had crossed the border: describing the action as irresponsible and imprudent and carrying the danger of broadening the conflict, he called for an immediate Syrian withdrawal. In a note of 20th September, the United States had asked the Soviet Union to take appropriate steps to restrain the Syrian forces.

The battle in the north continued during 20th and 21st September: the PLA claimed a complete victory over the Jordanian army in the Irbid region, and apparently the Syrian incursion had had the effect of interrupting the Jordanian drive against the guerrilla-held areas.

A statement on 20th September by Sir Alec Douglas-Home, Secretary of State for Foreign and Commonwealth Affairs, said that no military intervention

of any kind was contemplated by the British Government. He saw the American military movements which were much reported at this time [a reinforcement of the US Sixth Fleet in the Eastern Mediterranean, and the alerting of some airborne units] as preparations for a possible rescue operation of endangered Western citizens. A State Department spokesman indicated on 22nd September that the US Government had made no decision to intervene in Jordan, but had advanced preparations against an operation to protect American lives. Both Britain and the United States began to evacuate their citizens on 23rd September and their major evacuation efforts were completed during the following day.

Diplomatic Activity

On 21st September it was reported that King Hussein had asked the four Powers—Britain, France, the United States and the Soviet Union—to take joint diplomatic action over the Syrian incursion into Jordan. On 22nd September it was reported that Britain and France had also asked the Soviet Union to bring pressure to bear on Syria, and that Sir Alec Douglas-Home, now in New York for the UN General Assembly, had begun discussions with the other four-Power representatives on a response to the King's appeal, to be made either by the four Powers or within the United Nations framework. [For references to the Middle East situation in the Foreign and Commonwealth Secretary's speech to the UN General Assembly see p. 864.]

During 21st and 22nd September the Jordanian army continued its armoured thrusts against the guerrillas and the PLA/Syrian units in the Irbid region, with apparently for the first time, bombing sorties by Jordanian aircraft. At the same time Arab diplomacy stepped up its efforts to mediate between the two sides. Following a meeting of some Arab Heads of State or their representatives in Cairo, a four-man mission—led by the Sudanese President General Nimeiri with Mr. Ladgham, the Prime Minister of Tunisia, General Sadeq, the Egyptian Chief-of Staff, and Mr. Salim al-Sabah, the Kuwait Defence Minister—flew to Amman in an attempt to meet King Hussein and Mr Arafat and secure an effective cease-fire. The mission was a substitute for the intended 'summit' conference of Arab Heads of State, which was postponed for the time being because of the absence of King Hussein and Mr. Arafat.

At the same time the UAR issued a statement warning the United States against military intervention in Jordan, as did the Soviet Union on 23rd September in a statement calling attention to 'the need for all states to display caution in their steps in connection with the present complicated situation in the Middle East'. The US State Department announced on 24th September that the Soviet Government had advised the United States, Britain and France that it had been in touch with the Syrian Government to urge it not to allow further intervention from Syria. Press reports indicated that the Soviet Union had informed the three Western Governments that it would not, however, join in a four-Power or United Nations sponsored declaration.

Reports of the fighting indicated it was becoming even more heavy. A cease-fire in Amman declared by King Hussein on 21st September had soon collapsed, the army renewing its drive against the guerrillas in the western section of the city. After its fresh advance in the north, the army claimed that it had won control of the towns of Salt, Jerash and Zarqa, dislodging PLA Syrian troops in the process.

Syrian Withdrawal

Jordanian army communiqués now claimed that the 'aggressive force' in the north had been forced to withdraw after Jordanian armoured brigades with artillery and air support had counter-attacked during the night of 22nd September.

At the same time the possibility of an agreement between King Hussein and the *fedayeen* began to emerge, as an outcome of Arab mediation efforts. The four-man mission led by President Nimeiri had met King Hussein on the night of 22nd September, and on the following day the King and President Nimeiri jointly proposed a four-point settlement, to which a number of captured *fedayeen* leaders had apparently agreed. The terms broadcast by King Hussein involved both army and guerrilla withdrawal from Amman, and the restriction of the guerrillas to the front with Israel; recognition of the PLO as the only representative of the Palestinian people, and observance by the *fedayeen* of Jordanian law and sovereignty. At the same time King Hussein declared a new cease-fire, appealing to the army to observe it. The proposed settlement was rejected by Mr. Arafat during the evening of 23rd September. The Arab mediation team now returned to Cairo, stopping at Damascus for brief talks with President Atassi of Syria, and reported to the meeting of Arab Governments in conference in Cairo.

Resignation of Jordan Prime Minister

On 24th September the Prime Minister of Jordan's military Government, Brigadier Daoud, resigned while in Cairo, where he was representing King Hussein at the meetings of the Arab states. According to press reports a letter by Brigadier Daoud said that he was resigning 'to open the way for the setting up of a civilian Government that would work for Jordan's national unity'. Amman radio announced that King Hussein had accepted Brigadier Daoud's resignation and had asked the military Government to stay on in a caretaker capacity.

The military situation remained confused. King Hussein claimed that the Jordanian army was strictly observing the cease-fire he had agreed with President Nimeiri. The PLO, however, claimed that the town of Irbid was being shelled; a later broadcast by Amman radio claimed that the Jordanian army had re-captured Irbid, which *fedayeen* broadcasts claimed to be in their hands.

The Arab League meeting in Cairo now sent a second enlarged mediation mission to Amman, again led by President Nimeiri, in response to King Hussein's request that it secure the implementation of the cease-fire previously agreed. Its main efforts were directed to contacting Mr. Arafat to discuss a cease-fire with him directly.

Cease-fire Agreement

By 25th September there emerged a possibility for a cessation of the civil war, with the agreement by Mr. Arafat to accept a cease-fire. This followed a meeting in Amman between Mr. Arafat and the Arab mediation team: an indefinite cease-fire was then ordered by King Hussein in an announcement on Amman radio, while Mr. Arafat's similar order was broadcast on his behalf by President Nimeiri. Mr. Arafat then returned with the mediation team to the Cairo 'summit' meeting, to be joined on 27th September by King Hussein. The mediation efforts continued: reports of renewed fighting in Jordan on 26th September were followed by statements by Presidents Nasser and Nimeiri accusing the Jordanian army of breaking the cease-fire, and the mediation effort seemed near to a collapse. The allegations were denied by King Hussein, who appealed for the dispatch of an Arab military team to police the cease-fire.

On 26th September King Hussein had appointed a new Government, headed by Mr. Ahmed Toukan and including five members of the previous military Government: Field-Marshal Majali remained commander-in-chief. Mr. Arafat immediately expressed dissatisfaction at the new Government's composition.

However, on 27th September a formal agreement to end the civil war was signed in Cairo by King Hussein, Mr. Arafat and eight other Arab Heads of

State or representatives.[1] Amman radio described the agreement as the 'final step' to end the strife in Jordan. The 14-point agreement provided for an immediate cease-fire and an end 'to abnormal military movements'; for the withdrawal of both army and *fedayeen* forces from the cities to 'appropriate positions for battle against Israel'; and for the formation of a 'supreme supervisory committee' (of three members, with one member each representing King Hussein and the *fedayeen*, and headed by Mr. Ladgham, Prime Minister of Tunisia). Its task would be to prepare 'binding, detailed agreements to ensure that the 14-point accord is put into force', and to 'operate through the military, civil and relief bureaux to supervise the agreement and restore normal conditions in the country': its decisions would be 'unequivocal and binding on both army and guerrillas'. A clause stated that if either side violates the agreement 'it will be subject to punitive action' by the eight Arab co-signatories. Most of the points in the pact were those that had been the subject of repeated negotiations between the Jordan Government and the *fedayeen* during the past months: the new element was the provision that the other Arabs states would be responsible for the agreement's implementation

On the evening of 27th September Field-Marshal Majali broadcast an announcement *reaffirming his instructions to the Jordanian army to abide by* the cease-fire. Mr. Ladgham arrived in Amman on 28th September to begin the supervisory committee's work, while about 100 military personnel from five Arab states, headed by an Egyptian officer, have begun to organise and supervise the demilitarisation of Amman and other Jordanian cities.

Relief Measures

Throughout the fighting estimates of the degree of destruction and of the number of casualties daily spiralled, but there have as yet been no authoritative figures. The confused situation had allowed little opportunity, either by the Jordanian authorities or the international relief organisations, for the care of those wounded or deprived of food and shelter by the hostilities After ten days of fighting there was thus an urgent need for both medical supplies and personnel, and, in the Jordanian cities, for food. Prior to the cease-fire a number of countries, including Britain and the United States, had made preparations for medical and food supplies to be sent to Jordan· with the establishment of firm cease-fire the International Committee of the Red Cross and other relief agencies, including the United Nations Relief and Works Agency, began to co-ordinate the care of the injured and the distribution of food. Neighbouring Arab states have contributed medical staff and supplies, as has the United States: Britain has been among a number of countries (including Israel) which have been supplying food to Jordan. Further medical facilities have been prepared, by the British Government (at the bases in Cyprus) and by Israel and neighbouring Arab states, should they prove necessary.

RELEASE OF HOSTAGES

With the outbreak of the civil war in Jordan the situation of the remaining hostages from the hijacked airliners [see 25.9.70 pp. 822-4] appeared to become even more pressing. The co-ordinating committee in Berne [see 25.9.70 p. 823] continued its consultations and attempts to negotiate their release, Britain, Switzerland, the Federal Republic of Germany and the United States maintaining

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[1] King Feisal of Saudi Arabia, President Nasser of the United Arab Republic, Sheikh as-Sabah of Kuwait, Mr. Ladgham, Prime Minister of Tunisia, Colonel Qadhafi of Libya, President Nimeiri of the Sudan, Mr. Franjieh, President of the Lebanon, and Mr. al-Shani of the Yemen. Libya had previously broken off diplomatic relations with Jordan: during the course of the civil war Libya and Kuwait had suspended their subsidies to Jordan.

their position that all the hostages should be released irrespective of nationality before they would agree to the release of the seven Palestinians whose release has been demanded. On 16th September, the International Committee of the Red Cross (ICRC) had reinforced its mission in the Middle East with a further delegation led by M. Marcel Boisard (the mission had been reduced by the withdrawal of the team led by M. Rochat during the weekend of 12th September). The ICRC delegates in Amman had been able to establish that the conditions of the hostages were satisfactory, but because of the deteriorating situation in Jordan communications between the ICRC team and the leadership of the Popular Front for the Liberation of Palestine (PFLP) became tenuous.

There were now serious doubts as to the whereabouts of the hostages and fears for their safety as the fighting grew. On 21st September it was reported that the co-ordinating committee had appealed to the guerrillas to move the hostages to a place of safety in view of the heavy fighting

On 22nd September a reported PFLP statement reaffirmed its terms: it would release the hostages only in exchange for the seven guerrillas held in Europe and a number of prisoners held by Israel two Algerian passengers on a BOAC airliner who had been detained by the Israel authorities at Lydda Airport on 7th August, ten Lebanese soldiers, and an unspecified number of Palestinian guerrillas held by Israel.

Unconfirmed reports of 24th September indicated that the 54 hostages were being held in the 'liberated zone' of north Jordan, and that they were receiving care from the Palestinian Red Crescent. However, on 25th September 16 of the 54 hostages, including the eight British citizens, were rescued in Amman by the Jordanian army: and on the following day it was announced by the Central Committee of the PLO, with PFLP agreement, that the remaining hostages would be released immediately and without further conditions. Later press reports indicated that this resolution of the previous impasse had been furthered when the British Prime Minister, Mr. Heath, on 22nd September sent a personal message to President Nasser in which he had asked the President to use his influence and good offices to secure the release of the hostages. President Nasser, after requesting and receiving an assurance that Britain and the other Western Governments would, as previously stated [see 25.9.70 p. 823], release the seven Palestinians if all the hostages were released to safety, agreed to raise the matter at the meeting of Arab leaders then taking place in Cairo.

[A statement from the Prime Minister's Office on 30th September confirmed that the British Government had asked the Government of the UAR for help in securing the release of the hostages, and that the Government of the UAR had taken part in the negotiations for their release.]

All the hostages had been safely returned by 30th September, and on the same day Britain, Switzerland and the Federal Republic of Germany released the seven Palestinians, who were then flown to Cairo.

DEATH OF PRESIDENT NASSER

During the afternoon of 28th September, President Nasser died of a heart attack in Cairo. Vice-President Anwar Sadat has been appointed acting President. Among the messages of condolence which came from all over the world were messages from the Queen and the British Prime Minister, Mr. Heath. In a message to Mr. Riad, the Egyptian Foreign Minister, Sir Alec Douglas-Home expressed his condolences at the loss of 'such a distinguished leader of the Egyptian people. The world will truly miss his influence at this time when the search for peace in the Middle East is so vital.' President Nixon spoke in his message of the loss of 'an outstanding leader who tirelessly and devotedly served the causes of his countrymen and the Arab world. This tragic loss requires that all

nations, and particularly those in the Middle East, renew their efforts to calı passions, reach for mutual understanding and build lasting peace.'

The funeral of President Nasser took place on 1st October. Among tł many Heads of State and statesmen attending the funeral were the Sovi President, Mr. Podgorny, and Prime Minister, Mr. Kosygin, and the Frenc Prime Minister, M. Chaban-Delmas. The British Government was represente by Sir Alec Douglas-Home, and the United States Government by Mr. Elli Richardson, Secretary of the Department of Health, Education and Welfar

United Nations

FOREIGN AND COMMONWEALTH SECRETARY'S SPEECH

The Secretary of State for Foreign and Commonwealth Affairs, Sir Alec Douglas Home, addressed the General Assembly of the United Nations on 24tl September. Sir Alec later travelled to Washington, where he had discussion with Mr. William Rogers, the US Secretary of State, and with President Nixon

The Foreign and Commonwealth Secretary began his address by congratu lating Mr. Edvard Hambro of Norway on his election as President of the Genera Assembly for the present session; Sir Alec drew attention to Mr. Hambro contribution to the analysis of international law and said it was particularl appropriate that the President in this twenty-fifth anniversary year shoul himself have been a delegate to the founding conference in San Francisco

Disarmament and East-West Relations

Speaking of his continuing optimism about the future of East-West relation Sir Alec said that despite 'some very serious setbacks . . . the new willingnes to negotiate [which became apparent in the early 1960s] has continued, an through negotiations some of the darkest clouds which used to menace us hav started to lift. If the United States and the Soviet Union can reach agreement o limitations to their nuclear arsenals that will be a long step forward.' Th success of the strategic arms limitation talks would not remove 'the recurring nightmare of global destruction', which would remain 'as long as states hav access to the ultimate weapons, but such an agreement could slow down th growth of the means of destruction and so give new life to the Conference of th Committee on Disarmament'.

Sir Alec went on to refer to the recent signature of the German-Soviet treat for the renunciation of force [see 28.8.70 pp. 763-6] and the negotiations of the Federal Republic of Germany with its Eastern neighbours [see 16.1.70 p 61, 10.4.70 p. 358, and 3.7.70 p. 611]. Of the key position of Berlin in any 'real co-existence' he said: 'If we cannot agree to take the humanitarian step of lowering the barriers between two halves of one city, what hope is there for the two halves of the European continent?'

Britain and Europe

Europe, the Foreign and Commonwealth Secretary continued, 'cannot throw stones at others', for the United Nations itself had been conceived during a war which had begun in Europe and spread to involve the rest of the world, but a new western Europe was emerging which—as the French Foreign Minister, M. Maurice Schumann, had said in his address to the Assembly—would inevitably be more outward looking. It would be, Sir Alec said, a powerful centre of

economic growth ' carrying a fertilising progress far outside the borders of that particular continent. That is why our negotiations in Europe have a significance for every country represented here '

Chinese Representation

Those who had drawn up the Charter of the United Nations had based their hopes for peace on the collective determination of what were then the major Powers. Now, however, as the French Foreign Minister had pointed out, one major Power—the People's Republic of China—remained outside the organisation. Of the influential role which representatives of that country might play at the United Nations, the Foreign and Commonwealth Secretary said: ' They could well, by the rigidity of their political doctrine, make our tasks more difficult, but they have more than many to gain from expanding trade, prosperity and interdependence. They could add immensely, if they chose . to real co-existence. Their intentions, in the opinion of the British Government, should be put to the proof here in this assembly of nations '

Negotiation and Collective Action

Another disappointment of the last quarter century was the fact that it had so seldom been possible for the major Powers to reach a collective view on any important issue of world politics. ' That is why ', Sir Alec said, ' the negotiations in Helsinki, in Vienna and Berlin are so important for us here in the United Nations. Because, if the 1960s saw the beginning of an era of negotiation, the 1970s could see at last the beginning of an era of collective action for the maintenance of peace collective action based on the common desire of the most powerful nations of the world to work together for political stability and for the settlement of disputes.' It was clear that ' there can be no collective action without a collective aim and a common interest. If there does begin to emerge at last, out of all the negotiations now in progress, a common interest in peace and stability it will transform our work in the next 25 years both in the Security Council and in the Assembly . . . and that transformation would be immediately reflected in the relationships between countries on the ground in many parts of the world.'

The Rule of Law

Returning to a theme on which he had touched at the beginning of his speech, the Foreign and Commonwealth Secretary drew attention to the growth of irregular armed groups in many countries and said that it was time for the Assembly ' squarely to face the fundamental, unacceptable dangers of condoning those who take the law into their own hands ', and to call on all those who had taken up arms ' to lay them down and once again to submit themselves to the rule of law . . . even though they claim to be carrying them in the name of justice . . . [for] if the end can justify the means, then more and more groups of unknown men will take up arms. . . . They will put themselves above and beyond the law [and] the legal governments of the countries represented here.'

Hijacking

In the case of hijackers, he said the duty of individual governments was clear: ' We should all ratify the Tokyo Convention[1] and support the new conven-

[1] *Convention on Offences and certain other Acts committed on board Aircraft*, Tokyo, 14th September 1963 (Cmnd. 4230, HMSO, 1969, 3s 6d). Britain ratified the convention on 29th November 1968 and it came into force on 4th December 1969.

tion at the forthcoming Hague conference.[1] We should all make hijacking a crime in our own countries and allow it to be punished by any government in whose territory a hijacked aircraft lands. If we could agree on these and other measures which may result from the international conference now to be held perhaps this new and dreadful illegality can be brought under control '

The Middle East

Sir Alec referred to the civil war in Jordan (see p. 855-60) as 'an example of how people who sincerely act in the name of justice, as they see it, and take to arms can start a bloody, widespread war '. He spoke of the British initiative embodied in the Security Council Resolution of November 1967 and the appointment of the Secretary-General's special representative, Dr. Jarring, ' in whom we all have full confidence ' [see 8.12.67 pp 1223-9 and 25 9 70 pp. 816-22]

' We believe ', the Foreign and Commonwealth Secretary said, ' that the four Powers here in New York can contribute to his work In that forum we in Britain are ready to play a full part. M. Maurice Schumann last week gave a most penetrating analysis of this work, which was started by his Government The world began to breath again when, on the American initiative, which the rest of us support, a cease-fire was agreed. But there has been a breakdown, which could be fatal. Violations of the conditions of an end to the fighting have been alleged . . the minimum basis of trust has for the moment been destroyed and ways must be found to repair it. Otherwise we shall get back again to the situation we were in a few months and weeks ago with the danger of the Middle Eastern conflict spreading to something much wider than a battle or a confrontation between Israel and Egypt.

' But all this ambition for the greater peace and security of the region has for the moment been overlaid by the civil war in Jordan, [in which] those refugees in whose interest this organisation has worked so hard now find themselves not only in conflict with the Government of the country which has given them refuge, [but] also in declared and violent opposition to a settlement whose basic elements have been endorsed by the Security Council The degree of desperation to which these people have been driven is in some ways a measure of the failure of our organisation over the years to solve this problem with which it has been so deeply engaged.' Sir Alec welcomed the apparent withdrawal of foreign intervention and stated that the first priority must be to put an end to the fighting and ensure humanitarian treatment for all those wounded or made homeless by the conflict (see p. 860)

The need for a wider settlement, however, remained and he felt that the only hope of securing such a settlement lay in support for the efforts within the United Nations to achieve and guarantee a peace that would bring security and justice to all those concerned. The events in Jordan had underlined one other fundamental proposition: ' that force to solve political ends can never pay in the modern world a dividend in terms of justice and peace. Our theme for the next 25 years is fundamentally the same as for the last. It is to outlaw force It is to sustain law, and because in recent weeks we have got somewhere near to looking over into the abyss of what international anarchy can mean, that must give a new sense of urgency to our councils in the United Nations and in this Assembly '

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[1] A draft treaty on the ' unlawful seizure ' of civil aircraft, drawn up by the Legal Committee of the International Civil Aviation Organisation (ICAO), is to be considered at a special conference to be held in The Hague in December. The committee is now studying the possibility of drawing up a second treaty concerning other acts of unlawful interference or sabotage directed against civil aircraft.

IMF and World Bank

CHANCELLOR'S SPEECH AT ANNUAL MEETING

In his speech at the annual meeting of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) held in Copenhagen on the 22nd September, the Chancellor of the Exchequer, Mr Anthony Barber, emphasised the seriousness of the problem of inflation for the world economy and expressed the view that floating exchange rates would make the problems of economic management even more difficult, and the achievement of economic objectives more uncertain. He welcomed the report of the executive directors which confirmed the agreed intentions of governments generally to maintain the basic features of the present par value system.

The Chancellor began his speech with a tribute to the massive programme of the bank under the leadership of Mr. McNamara. The British Government hoped, said Mr. Barber, that there would be no difficulties over the ratification of the arrangements for the third replenishment of the International Development Association (IDA) [see 14.8.70 pp. 735-6] and that the replenishment at double the level of the previous one would thus take full effect in June 1971. It hoped too that the IDA would be able to match its lending policies more flexibly to the needs of developing countries for fast disbursing credits. This meant readiness to use forms of lending other than the financing of specific projects when the need for this flexibility was clearly established for any particular country. The British Government also looked to the bank and the IDA to meet local costs adequately where appropriate and to give due weight to the size and relative poverty of the eligible countries. The United Nations General Assembly was currently discussing a strategy for the second Development Decade and the British Prime Minister would be at the special commemorative session of the Assembly in October. The report of the Pearson Commission [see 7.11.69 pp 1004-7] had been welcomed by both major political parties in the United Kingdom, and one advantage of that report was that it had contributed in Britain and elsewhere to a more informed public debate on aid and trade relationships with the developing countries. The British Government found particular interest in what the commission had said about the potential contribution to development of foreign investment by the private sector. Mr. Barber emphasised at this point the great importance of a favourable investment climate being maintained by countries which saw advantage to their economies in private investment inflow from abroad.

Inflation

The responsibility of the richer countries to help the developing countries was not in question but the extent to which they could help necessarily depended upon their own economic performance. This was why their discussions on the report of the IMF were highly relevant to their aid programmes. Both the IMF annual report and M. Pierre-Paul Schweitzer (managing director and chairman of the Executive Board of the IMF) had rightly given prominence to the problem

of inflation. Nearly all the industrialised countries were now experiencin rapid wage and price inflation. All governments recognised, as did the Britisl Government, the seriousness of the problem of inflation and the responsibilitie of governments to do all they could to control it. It was commonplace to deplor inflation in industrialised countries because of its balance of payments effect and because of its social consequences in those countries. These effects wer indeed serious, but no less damaging were the effects of such inflation on th world economy as a whole, not least on the developing countries This fac had been clearly recognised at the Cyprus meeting of Commonwealth Financ Ministers (see pp. 868-72).

A general climate of inflation in the world injured the developing countrie in special ways. Not only was the real value to them of aid and investmen flows reduced, but they suffered from the correspondingly high level of worl interest rates. For example, the new IBRD lending rate of 7¼ per cent was a unavoidable result of the IBRD's current borrowing costs, which reflected th current inflation. Again, although it was a fact that developing countrie exports of primary products benefited in varying degrees and for a time fro excess demand in developed countries, this benefit was reversed as the inevitab restrictive anti-inflationary policies were adopted. Meanwhile they found th prices of the manufactures they imported continually increasing So there coul be no doubt that the longer-term interests of developing countries called fo greater stability of price levels

The Exchange Rate System

Mr. Barber then considered the question of the exchange rate system There were those who maintained that their economic problems would be mor readily handled if they moved from the present system to a system of floatin exchange rates. Those who thought as he did owed it to the distinguishe advocates of floating rates to state why they differed.

At the present time most governments were having to contend with large element of cost inflation, with wages and prices being driven up as result of the exercise of market power by unions and employers. Floating rate could make the problem of economic management even more difficult an achievement of economic objectives more uncertain. In countries where domesti inflationary pressure would cause an unpegged rate to depreciate, the fall i the rate would, through its effect on domestic prices, surely add fuel to wag demands. At the same time the resistance of employers might well be weakene by their expectation that present and future movements in the exchange ra would protect their international competitiveness. A further twist could be give to the inflationary spiral because, under a floating rate system without interven tion, there might be movements in the exchange rates of certain currencies resulting from purely temporary circumstances, which went far beyond wha would be appropriate to the real underlying payments trends of the countr concerned.

For this and other reasons governments would still need to intervene i exchange markets. Thus they would not escape the need to be influenced i their policies by movements in reserves, as was sometimes unrealisticall suggested as being among the attractions of floating rates

Meanwhile, a general change to floating rates would virtually demolish th present structure of international co-operation in payments matters. It woul be hard to combine a general regime of floating rates with the close internationa co-operation which had been built over the years around the system of pa values, and which had been—and which he believed, despite its shortcomings would continue to be—of great benefit to world prosperity.

How did all this bear on the problems of the growth of the developin

that these countries needed to plan their growth in an orderly way. To primary producers some assurance about the future level of their export earnings was of first importance. Various stabilisation devices had improved matters, but they knew that this remained a problem even under the present exchange rate system. The export prices of the primary producers were in general determined in a world-wide market, and in a world of floating rates it surely followed that the primary producers would face new and important uncertainties as to their future terms of trade. This would be a far more difficult and complicated problem to overcome than those which arose under the present system.

Some of those who argued that their own country should float its rate did so explicitly on the basis that this would enable the rate to be kept perpetually undervalued, so that a permanent competitive advantage over the rest of the world would be obtained as a means of accelerating their country's growth rate. This was a naked appeal for a return to the 'beggar-my-neighbour' policies of the 1930s, with the sole difference that the motivation was now economic growth, whereas then it was the export of unemployment. Growth and full employment were indeed prime objectives of economic policy, but this was not the way to pursue them.

It was right to recognise the shortcomings of the present system: but he could not believe that it would now be right to step back a generation and to throw away the very real benefits of 25 years' experience of international co-operation in working a par value system.

In the light of what he had said the meeting would not be surprised that, on this fundamental question of floating rates, he welcomed the decisive conclusion of the report of the Executive Directors on the role of exchange rates in the adjustment of international payments. The report confirmed beyond doubt the agreed intention of governments generally to maintain the basic features of the present par value system. That was in his view the most important result of the work which had been done.

Within the framework of the par value system, the report had identified certain areas where it was worthwhile to continue examination of the case for further development. He was sure that it was right to pursue these studies further, and they would have to see whether the studies showed that the proposals were likely to offer net advantage. Not least of the questions for further study was the possible effect of changes of this kind on speculative movements, for no one wanted to increase this problem.

Britain and the EEC

Mr. Barber went on to speak of the plans being developed by the EEC for progress towards economic and monetary integration. This was an enterprise of immense significance both for the member countries of the Community and for the rest of the world. As a prospective member of the Community, Britain believed that it had much to contribute to it.

The member countries of the Community had indicated that whatever the outcome of further studies in the IMF, they would not intend to widen the margins round parity for dealing in their currencies within the Community. He had expressed his support for these studies, which included that of slightly wider margins in the world-wide system with which the IMF discussions were concerned, but there was no inconsistency in also stating that, in the event of joining the Community, Britain would of course conform with whatever collective decisions about margins within the Community had by then been taken

International Co-operation

The Chancellor stressed that the two institutions whose affairs were the concern of the Copenhagen meeting were agencies for international co-operation.

They were the means of implementing the universal desire which emerged from the second world war for a degree of order and a degree of fairness and justice in the economic affairs of the world as in the political. Over the quarter century since the institutions were established, that desire for order and fairness had strengthened, and the instruments of international co-operation in monetary matters, as well as the methods of providing development finance, had grown and evolved. There must always be a readiness to adapt and to change those instruments and those methods to meet the demands of a changing world. But he believed that the basic principles which they had followed throughout these years had been the right ones, and it was to those principles that they should adhere.

Commonwealth Finance Ministers' Meeting

The text of the communiqué issued at the conclusion of this year's meeting of Commonwealth Finance Ministers, held at Nicosia on 17th and 18th September is reproduced below, followed by a summary of a speech made at the meeting by the British Chancellor of the Exchequer Mr Anthony Barber

COMMUNIQUÉ

The meeting . . was opened by His Beatitude, the President of the Republic of Cyprus, Archbishop Makarios. The Minister of Finance of Cyprus, Hon A C Patsalides, was elected chairman

Barbados was represented by the Prime Minister and Minister of Finance, Botswana and The Gambia by their Vice-Presidents and Ministers of Finance, Australia by the Treasurer, Britain by the Chancellor of the Exchequer, Ceylon, Ghana, Fiji, India, Kenya, Lesotho, Malawi, Mauritius, New Zealand, Singapore, Swaziland, Tanzania, Tonga, Uganda, Western Samoa and Zambia by their Ministers of Finance. Malaysia was represented by the Minister of Justice and Parliamentary Affairs, Trinidad and Tobago by the Minister of External Affairs, and Canada by the Minister Without Portfolio (Finance). Sierra Leone was represented by the Financial Secretary, Pakistan by the Secretary to the Cabinet, Guyana and Nigeria by their Permanent Secretaries of Finance, and Jamaica by the Governor of the Bank of Jamaica.

A special welcome was extended to three new participants. Tonga and Western Samoa attended the meeting for the first time as members of the Commonwealth and Fiji in anticipation of membership on the attainment of independence early in October. Representatives of the British dependencies of the Bahamas and Hong Kong, and of the protected state of Brunei also participated in the deliberations.

World Economic and Monetary Situation

Ministers reviewed recent trends in the world economic and monetary situation. They noted that although the 5 per cent growth rate for the first development decade had been achieved and that in 1969 there was an increase in the growth rate in developing countries compared with the previous year, the gap in the levels of *per capita* income between the developed and developing countries had nevertheless continued to widen

It was recognised that among a number of industrial countries inflation had become greater and more widespread and it was affecting the economies of the developing countries in a number of ways through foreign trade and assistance. The problem of

restoring reasonable price and cost stability without seriously prejudicing other goals of economic policy was currently occupying a great deal of the attention of the authorities in industrialised countries.

There was a discussion about the various measures being taken by developed countries to combat inflation. It was recognised that measures taken to combat inflationary pressures in developed countries were having an adverse effect on export prospects of developing countries. It was hoped that in taking remedial measures developed countries would pay attention to the impact of these measures on the economies of developing countries. In this context Ministers expressed interest in the experience of some developed countries in approaching the problem of inflation through incomes and prices policies

Trade

Ministers recognised that while the prices of manufactured exports from developed countries had increased considerably during the last decade, in general there had been no corresponding increases in the prices of the exports of developing countries. A number of primary commodities were facing static demand and had suffered price reductions in 1969. Ministers noted that the overall effect was that the export earnings of the developing countries had grown at lower rates than those of the developed countries and that the share of developing countries in world trade had further declined.

They agreed that a better trading relationship between the developed and developing countries was essential to the expansion of the economies of the developing countries. The desirability was stressed of early international action to improve the position of primary producers by the adoption of appropriate corrective measures. A proposal that the creation of additional international buffer stocks and supplementary financing facilities be examined again as a way of dealing with some of the problems which developing countries have encountered met with wide support.

Ministers emphasised the importance of providing adequate access to export markets for the goods of developing countries including manufactured products without restrictive policies and practices in the markets of the developed countries

Sterling Area Balance of Payments

Ministers reviewed the balance of payments position of the Sterling Area in the light of a statement by the Chancellor of the Exchequer and noted that the deficit on Sterling Area current account transactions was estimated to have declined from nearly £1,300 million in 1968 to less than £150 million in 1969, which was the smallest since 1959 an improvement contributed in about equal measure by the United Kingdom and other Sterling Area countries. This reassuring picture was welcomed by delegates.

Britain and the European Economic Community

The Chancellor of the Exchequer gave a report on developments since the last meeting regarding Britain's application to join the European Communities. The Chancellor confirmed that the general negotiating position taken up by the new British Government was the same as that laid down by the previous Government in the statement by the then Foreign Secretary in 1967. With the opening of negotiations in June of this year, arrangements had been made for regular consultations with Commonwealth Governments through their representatives in Brussels and London. The Chancellor stated that Commonwealth Governments would be kept fully informed of developments. Similarly, the arrangements made were designed to ensure that the British Government was kept fully informed of Commonwealth Governments' views and of the

special interest of individual members. The Chancellor's assurances in this respect wer welcomed by other Ministers. The hope was expressed that Britain would press, in th course of the negotiations, for measures to protect the vital interests of all Common wealth countries.

Foreign Private Investment

Ministers discussed the role of foreign private investment in development strateg in the next development decade. They focussed on such questions as the desirability host and investing countries which have not already done so establishing clear codes conduct and other arrangements for foreign investors. The meeting asked the Secret General to undertake the necessary studies and to make specific proposals to Com monwealth Governments to deal with the following three areas

Pre-investment Surveys. There was substantial support for the proposal th would be desirable that independent pre-investment surveys be available to th Governments of developing members of the Commonwealth from the Secretari It was felt that this might be undertaken within the Commonwealth Program for Technical Co-operation, which was currently under review

Taxation Policies for Development. There was discussion about appropriate taxatio policies for development, and the efficacy and desirability of tax incentives relation to foreign private investment. The meeting agreed on the desirability of Commonwealth Secretariat continuing to carry out the work it has been doing those matters. It was recognised that in order to undertake further work complex questions the Secretariat would need additional resources

Commonwealth Investment Information Centre Several Ministers suggested be desirable to establish a Commonwealth Investment Information Centre

External Debt Servicing

Ministers discussed the problem of debt servicing and its effect on development. They noted that for a number of countries the problem had become serious and that the outlook for some other countries was similar

Ministers recognised that there were a number of causes of debt problems, hard terms of resource transfers, unsound investment programmes, and a deter of terms of trade against the developing countries. They also noted that in many debt problems and debt crises were impeding the development efforts of devel countries.

Particular stress was placed on the need for a greater transfer to develo countries of resources on concessional terms as recommended in a number of national reports. Ministers considered that in some cases greater care would have exercised in the assessment of the viability of programmes and projects having to the projected debt servicing capacity of the particular developing country Ministers also stressed the importance of implementing a variety of measures to improve the foreign exchange earnings of developing countries, including measures aimed at achie ing equitable international prices for the products of developing countries

In general, it was recognised that while developing countries bore the main responsibility for their debt management, solutions to their debt problems depended to high degree on co-operation between borrowers and lenders. In this connection particular stress was laid on the importance of undertaking appropriate measures to help avoid debt crises, and dealing with them constructively when they arise with minimum disruption of development.

Link between Special Drawing Rights and Development Finance

Ministers discussed the possibility of linking Special Drawing Rights [SDRs] to development finance. They were encouraged by the first six months' experience of the working of SDRs which indicated satisfactory progress towards the establishment of SDRs as a reserve asset on an equal basis with other assets. They agreed, however, that the SDR system would need to be firmly established before there could be any link with development finance. Ministers also agreed that the next occasion when the international community ought seriously to consider the link will be in 1972 when consideration is to be given within the IMF [International Monetary Fund] to the next round of SDR allocations. They accepted that the IMF members ought to be adequately prepared for this consideration and that to this end the executive board of the fund should be requested to undertake a study of the question in good time so that the results are available well before the time when decisions must be taken in 1972

The Role of the World Bank Group in Relation to Development

Ministers considered at some length the role of the World Bank group in relation to development on the basis of a paper submitted by the British Government. The discussion covered various institutions and aspects of their operations such as the resources of the IBRD [International Bank for Reconstruction and Development], IDA [International Development Association] and IFC [International Finance Corporation], the criteria and forms of lending and interest rates, the expanding role of the Bank group in various fields including technical assistance and research, and the relationship of the various organisations to other aid givers and to borrowers.

Particular emphasis was laid on the hardships caused by the increasing costs of borrowing from the World Bank and on the importance of having an appropriate blend of Bank and IDA lending so as to alleviate the hardships arising from high interest rates. Ministers stressed the need for continued, and indeed increased, non-project assistance by the World Bank and IDA in appropriate circumstances. It was agreed there was a need for a review of the policies for lending by the Bank and the IDA and for a larger proportion of programme assistance and greater co-ordination among the United Nations institutions (including the specialised agencies and Bank group) in their operations and consultations with borrowing countries. Ministers expressed the hope that these matters would receive adequate consideration in the course of the forthcoming Bank/Fund meetings.

Intra-Commonwealth Flow of Aid

The Ministers considered a report on the intra-Commonwealth flow of aid and noted that the net flow of intra-Commonwealth official assistance in 1969 was much the same as in 1968. They also noted that net official bilateral aid to developing countries from all sources declined in the same period by some 4 per cent.

They noted that over the past two decades great strides have been made by developing Commonwealth countries in building up the necessary infrastructure for sustained development. It was agreed that developing countries could usefully utilise a substantially larger flow of assistance. They discussed the problems posed by the tying of aid and expressed the hope that governments and international organisations making loans would make early progress in arriving at an agreement for untying such assistance.

They were glad that the Commonwealth programmes of technical co-operation was meeting a number of requests for assistance from member countries and expressed the hope that this programme could be further expanded.

Next Meeting

Ministers accepted with pleasure an invitation to hold next year's meeting of Commonwealth Finance Ministers in the Bahamas. Ministers expressed their warm appreciation of the generous hospitality of the Government and people of Cyprus and the excellent arrangements provided for the meeting.

CHANCELLOR OF THE EXCHEQUER'S SPEECH

In his speech at the meeting on 17th September, the Chancellor of the Exchequer took as his theme the need in Britain to establish a sound basis for faster long-term economic growth. To do this, said Mr Barber, it was necessary to restore incentives and create conditions in which people would save so that investment could be increased. Major changes were necessary in the British tax system if these incentives were to be restored. Details were now being worked out for the reform of personal taxation, indirect taxation and certain aspects of company taxation. A radical review of public spending was also in hand to make room for tax cuts. This was necessary not only because public expenditure was too high but because it was threatening to grow too fast.

In reviewing the current economic situation, the Chancellor referred to cost inflation as Britain's most immediate problem. The Government was determined not to allow unchecked inflation to undermine Britain's competitive position. This could only be prevented by getting a sane and responsible approach among employers and employees. It could not be done by statutory control of wages and prices. Policies for demand management must be closely related to the decisions soon to be taken in the field of public expenditure, to future tax policy and to the fight against inflation.

The balance of payments on current account was expected to continue in surplus in the second half of 1970. Britain's international debt had been substantially reduced and there was no doubt that over the next year or two the problem would be satisfactorily dealt with. Over the past 18 months, however, growth had been disappointingly slow, although there were now some signs of expansion which might lead to a more satisfactory rate of growth. The means to stimulate demand were readily available if required.

Commonwealth Development Finance Company

ANNUAL REPORT

The work of the Commonwealth Development Finance Company Ltd (CDFC) is reviewed in its annual report for 1969-70, recently published.

The CDFC is a private enterprise institution, established in 1953. Its object is to support sound productive investment on a commercial basis wherever this can thrive, particularly where its funds and experience can do most good. Its activities, while mainly in Commonwealth countries, are not confined to the Commonwealth. The company provides enterprises with finance, by way of share capital and loans (mainly the latter). In addition to its own contribution it organises funds from other sources.

The authorised capital of the CDFC is £30 million, of which £26·3 million has been issued. The issued shares consist of 14·59 million ' A ' shares of £1 each (2s paid) and 11·74 million ' B ' shares of £1 each (10s paid). The ' A ' shares are held by a number of industrial, shipping, mining and banking companies with

extensive Commonwealth interests. The 'B' shares are held by the Bank of England and certain Commonwealth and other central banks. The company's paid-up capital of £7·3 million is supplemented by extensive borrowings. It has issued £12·5 million debentures and has a substantial borrowing facility with the London clearing banks.

The CDFC has five wholly-owned subsidiaries CDFC (Ceylon) Ltd., CDFC Holdings Ltd. in Canada, CDFC (Malaysia) Ltd.; Development Finance International Ltd. in Bermuda; and CDFC International Ltd. in London. In addition the CDFC has a 75 per cent holding in CDFC Australia Ltd, the remaining 25 per cent being held by the RoyWest Banking Corporation Ltd of Nassau, Bahamas, of which the principal shareholders are Canadian and British banks and financial houses (CDFC Australia holds all the issued share capital of CDFCA New Guinea Pty. Ltd, an 81 per cent holding in the Copper and Aluminium Company of Australia Pty Ltd, and an 89 per cent holding in Donga Meats Ltd. of Australia)

Results and Operations

The report for the year ended on 31st March 1970 gives details of investments and commitments by the CDFC and its subsidiaries in 27 countries. Investments at that date, in about 100 undertakings, totalled nearly £27 million. All the company's investments and commitments are in development projects, mainly those conducted by private enterprise These cover a wide range of manufacturing and other productive activities (see below).

Consolidated profit for the year was £535,156 before tax and £420,178 after tax A dividend of 3 per cent was proposed, as also was the transfer of £90,000 to the CDFC revenue reserves (these proposals were later accepted at the company's annual general meeting) The reserves of the subsidiary companies increased during the year by over £101,000

New commitments entered into by the CDFC and its subsidiaries during the year amounted to £1 8 million, and included a loan of £350,000 to, and an equity investment of £156,000 in, the Pan-Jamaican Investment Trust Ltd and a loan of £100,000 to, and an equity investment of a further £100,000 in, Caribbean Asbestos Products Ltd.

Total commitments since incorporation in 1953 have exceeded £41·5 million, over £35 million of which has been in loans or debentures. The CDFC's largest loan was one of £3 million to the Central African Power Corporation for the Kariba hydro-electric scheme Other enterprises for which the company or its subsidiaries have provided financial support include the Development Finance Company of Malawi; Dunlop Zambia Ltd.; the National Investment Bank in Ghana; coffee, glass and hotel undertakings in Kenya; the Nigerian Industrial Development Bank and several industrial enterprises in Nigeria (where the total CDFC commitment since incorporation has exceeded £2·4 million); the Guma Valley Water Company in Sierra Leone; Peak Timbers Ltd., Swaziland; cement and textile undertakings in Tanzania; tea estates and several industrial and commercial firms in Uganda; the Development Finance Corporation of Ceylon and a textile company in that country, over 20 industrial undertakings in India (where the total commitment since incorporation has been more than £10 million); the South East Asia Development Corporation and several industrial firms in Malaysia; sugar, jute and paper concerns in Pakistan and the Pakistan Industrial Credit and Investment Corporation; an investment trust in Malta; a variety of undertakings in Australia, New Zealand and Canada; property companies in the Caribbean; and firms concerned with tourism in the Caribbean and New Guinea. In 1968 the CDFC was engaged by the Ministry of Overseas Development to advise the Ghanaian Government on the feasibility of setting up a stock exchange in Ghana.

BLE 3

NALYSIS OF TOTAL CURRENCY FLOW AND OFFICIAL FINANCING
67-70 *£ million*

	1967	1968	1969	First-half 1970
rrent balance	312	319	+416	+228
estment and other capital flows				
Official long-term capital	57	17	98	86
Overseas investment in UK public sector ..	26	12	63	4
Overseas investment in UK private sector .. .	335	573	621	390
UK private investment overseas	463	735	617	317
uro-dollar borrowing in London for investment overseas	73	176	70	45
mport credit	27	67	256	36
Export credit	185	345	333	166
Balances (gross) of sterling area countries	82	150	258	418
Balances (gross) of non-sterling countries .. .	134	227	50	82
oreign currency transactions of UK banks ..	47	124	106	175
Other short-term flows	+32	53	16	36
tal investment and other capital lows	-455	-759	48	609
ancing item	201	-81	279	305
A loss on forwards .	-105	251		
al currency flow . ..	671	1,410	743	1,142
ocation of Special Drawing Rights .				171
al	−671	1,410	743	1,313
icial financing:				
MF*	-339	+506	−30	112
Other monetary authorities* .	+691	+790	−669	-1,091
ransfer from dollar portfolio to reserves*	+204			
fficial reserves† .. .	+115	+114	−44	−110
al official financing	+671	+1,410	−743	−1,313

* Net drawing from +, net repayments to −.
† Drawings on +, additions to −.

Source: *Balance of Payments 1970*

of a net inflow or how much must be financed by drawing on the reserves or by borrowing if there is an outflow. Allocation of International Monetary Fund (IMF) Special Drawing Rights and gold subscriptions to the IMF are shown separately.

Tables 1, 2 and 3 are based on the Pink Book and on a Treasury press statement dated 8th September including figures for the first two quarters of 1970 Table 1 gives a summary of the main aggregates since 1963. Table 2 gives additional details of current account components for the period 1967 to first-half 1970 Table 3 sets out an analysis of total currency flow and official financing.

Britain has traditionally had a deficit on visible trade and a surplus on invisible earnings. This pattern has continued since 1945 with a surplus on visible trade being achieved in only two calendar years since then and a deficit on invisibles incurred only exceptionally in the two years immediately following the second world war. Both exports and imports have risen strongly since the devaluation of sterling at the end of 1967. In 1968 the value of both exports and imports rose at similar rates, while there was a 5 per cent deterioration in the terms of trade as an immediate result of devaluation, and the balance of visible trade remained in heavy deficit In 1969 exports rose faster than imports, and there was a marked improvement in the balance of visible trade, while net invisible earnings rose by about 70 per cent with a sharp increase in interest, profits and dividends The result was a large surplus on invisibles, a small deficit in visibles, and thus a substantial surplus on current transactions as a whole The net aggregates for the first half of 1970 show a similar position, though most of the gross flows increased.

Total currency flow was outward in each of the years 1963-68 and inward in 1969 and the first half of 1970 In the six years 1963-68, there was an outward flow of £3,778 million (including a gold subscription of £44 million to the IMF) financed mainly by official borrowing totalling £3,134 million, but also by transfers to the reserves of the dollar portfolio, totalling £520 million, and by a reduction of £124 million in the reserves. Approximately one-quarter of the outflow stemmed from current deficits In 1969 and the first half of 1970, there was an inward flow of £1,885 million and this together with the allocation to Britain by the IMF of Special Drawing Rights (SDRs) of £171 million (which count as part of the reserves), made it possible to reduce official borrowing by £1,902 million and add £154 million to the reserves. The inflow resulted from surpluses on current account, a small net investment inflow (compared with a substantial net outflow in the previous period), a substantial increase in the sterling balances (which had fallen in the previous period) and a large positive balancing item reflecting unidentified transactions

National Research Development Corporation

TWENTY-FIRST ANNUAL REPORT

The twenty-first annual report of the National Research Development Corporation (NRDC), published on 22nd September (HMSO, 7s 6d), describes progress during its formative years, some of its more notable successes and some current projects.

Set up in 1948 to assist in bridging the gap which sometimes exists between a research finding or invention and the stage at which investment for development or production seems practicable, the NRDC is not a government department but is financed with government loans which are repayable with interest. It operates under the provisions of the Development of Inventions Act 1967

which consolidated the Acts of 1948, 1954 and 1965 and the Industrial Expansion Act 1968, which raised the corporation's borrowing power to £50 million.

Other countries have followed the United Kingdom's example by establishing similar bodies, the most recent being France with its Agence Nationale de Valorisation de la Recherche (ANVAR), with which NRDC has entered into an appropriate relationship.

Progress

The report records that the corporation has so far dealt with 23,000 inventions from all sources, including government establishments, the research councils, the universities and the private sector. About 1,200 licences have been negotiated of which 600 have proved income-earning. At the end of the financial year 1969-70, out of a total of 377 current projects, 162 represented joint ventures with firms.

From publicly supported sources have emerged the inventions with which in the 1950s the corporation pioneered in the United Kingdom the development and production of electronic computers. Emerging more recently from these sources were such important inventions as the antibiotics known as *Cephalosporins* and the Royal Aircraft Establishment's method of making carbon fibres. Inventions such as the hovercraft and the hydrogen/oxygen fuel cell, the development of which received help from the corporation, came originally from private inventors.

Financial Aspects

In the corporation's first year its income was less than £5,000, it had invested £5,000 on development account and administrative costs amounted to £20,000. In 1969-70 its income was £4·2 million, it invested £5·6 million on development projects, its forward commitments amounted to £12·3 million, and its administrative costs to £1 million. Its cumulative income to 31st March 1970 amounted to £15 million which it has ploughed back into the business.

The corporation's largest revenue earner is the antibiotic *Cephalosporin C* discovered at Oxford University, which has already brought in more than £5 million in royalties, a major part of it in overseas currency.

Current Projects

The corporation's current portfolio of 166 joint ventures comprises projects ranging in value from a few thousand to a few million pounds. Its industrial partners comprise both the smallest and largest firms, roughly half being with firms having less than 100 employees, though 90 per cent of the money goes to firms with more than this number of employees.

The largest single joint ventures so far have been in computers and microelectronics. They have included an investment of £4 million in International Computers and Tabulators (now International Computers Ltd.) and £4·4 million as a 50 per cent contribution to Plessey's work on Stored Programme Control (SPC) techniques which are expected to have a valuable function in automatic telephone exchanges. The corporation is investing nearly £5 million in the programmes of microelectronics development of Plessey, Ferranti, and Marconi-Elliott Microelectronics.

At the 1969 Oceanology Exhibition, 19 items developed or being developed with NRDC support were shown, including the *Seal Beaver*, a sea-bed crawler vehicle designed by Cammell Laird and a 600 ft. diving system from Strongwork Diving (International). Also of world interest is the scheme to produce protein from carbohydrate now in an early stage at Ranks Hovis McDougall's laboratories at High Wycombe in which NRDC will invest up to £500,000 over the next three years. The programme represents a significant attempt to help to

solve the world problem of protein shortage. It is hoped that within five years it will be possible to produce the new protein very cheaply in any country in the world by a fermentation process from any carbohydrate-rich crop grown locally such as potatoes, yams, cassava or sugar. The corporation has also supported the design of agricultural equipment for developing countries, including cheap and simple storage silos, well-boring and water storage plant and an animal-drawn toolbar.

By financing a venture which could lead to the export of oyster seed the NRDC is helping to bring modern technology to the centuries-old oyster fishing industry. Demand for oysters far exceeds supply and sources are being depleted by pollution, storms and predators. Scottish Sea Farms, a firm at Oban, Argyllshire, in Scotland, has developed a hatchery in which oyster eggs can be laid and reared through the early stages of their growth under scientifically controlled conditions. The oyster seed can be 'hardened off' and transferred to the natural environment of a sea loch when they are large enough to withstand natural hazards.

Other work in hand includes the development of a lightweight hypodermic dart that can be fired from an ordinary shotgun and used to tranquilise wild animals, a computer system to 'govern' an automatic milking parlour, and a [illegible] artificial kidney.

Civil Aviation

BRITISH AIRPORTS AUTHORITY ANNUAL REPORT

The annual report and accounts for 1969-70 of the British Airports Authority (BAA) were published on 15th September (HMSO, 23s). Sustained growth in air traffic and revenue resulted in a trading profit of over £9 million. The authority is responsible for four airports, Heathrow-London, Gatwick-London, Stansted in Essex and Prestwick in Scotland.

Financial Results

The BAA's trading profit rose by over 17 per cent to £9.1 million in 1969-70. Less than half of this sum was derived from traffic operations (i.e. landing charges) and 48.7 per cent from commercial concessions, where revenue increased by 41 per cent to £5.7 million. Landing fees revenue rose by 12·4 per cent to £15.4 million, while rents and services rose by 32.1 per cent to £6.3 million and other items by 12.1 per cent to £1 million. Total income rose by 21.7 per cent to £28·57 million. Expenditure rose by 23.3 per cent to £19.4 million due, to a large extent, to pay awards and the costs of the first full year's operation of new facilities such as Terminal 1 and the Cargo Terminal at Heathrow. Heathrow, the authority's main airport, made a trading profit of £7.9 million, an increase of 9·5 per cent.

Net profit after interest but before tax was £5.9 million compared with £4.7 million in 1968-69; final net profit was £3·2 million, which was ploughed back into the business.

The authority's return of 13·36 per cent on average net assets of £68·47 million compared with one of 12·27 per cent on £62·72 million in the previous year. A financial target has not yet been fixed by the Board of Trade.

Capital expenditure during 1969-70 was £9·3 million, mainly spent at Heathrow on the No. 1 Runway extension and expansion and improvement of terminals. The necessary funds were provided from internal sources. BAA's

five-year investment plan for 1970-71 to 1974-75 forecasts expenditure of £114 million, which allows for the likely acquisition of Turnhouse Airport, Edinburgh, in 1971 and preliminary expenditure on a Third London Airport (the subject of an inquiry by the Roskill Commission) [see 7.6.68 p. 568 and 28.3.69 p. 315]. Capital works in progress during 1969-70 included Terminal 1 at Heathrow (completed at a cost of £9 million); extensions to Terminal 3 at Heathrow, lengthening of Runway 1 at Heathrow to 12,800 feet; apron and runway extensions at Gatwick; construction of an interim terminal at Stansted; and work on the taxi-track at Prestwick.

Traffic

Aircraft movements rose by 8·5 per cent to over 430,000, passengers handled rose by 13·2 per cent to 18·5 million (of which 14·6 million passed through Heathrow); and cargo and mail handled rose by 8·2 per cent to 461,000 tons. The year was marked by the opening in January of the first Boeing *747* (Jumbo jet) services through London, on the New York-London route. To begin with these services were handled by interim facilities at Heathrow; new permanent facilities came into operation in May, after the end of the financial year. The most buoyant areas for traffic were North Atlantic passenger services and international air cargo. Some 23 per cent more passengers crossed the Atlantic by air in 1969 than in 1968. British domestic passenger air traffic remained static, probably mainly because of the closure of the independent operator British Eagle, higher fares and competition from improved rail services.

Landing Fees

A revised scale of landing fees was brought into force on 1st April 1970 following discussions with airlines. All the authority's airports now operate a uniform scale, fees charged on cargo aircraft have been cut by 20 per cent, and charges on intercontinental aircraft at Heathrow have been reduced by about 4 per cent. The charges will mean a reduction in income of some £350,000 in 1970-71, and more in subsequent years, at a time when costs are rising steeply.

Shipbuilding Industry Board

REPORT AND ACCOUNTS

While remaining optimistic about the long-term prospects of the shipbuilding industry, the report and accounts of the Shipbuilding Industry Board for the year ended 31st March 1970, published on 18th September, contain a warning that ' time is running out ' for British shipbuilders to plan ambitiously for increased output. The board notes, however, that substantial progress has already been made towards implementing the proposals of the Geddes report on the rationalisation of the industry, published in 1966 [see 15.4.66 pp. 439-42]. The board was established under the Shipbuilding Industry Act 1967 [see 31.3.67 p. 349] with powers to give financial assistance, in the forms of loans and grants to shipbuilders and marine engine manufacturers. Its activities are financed by the Ministry of Technology and by parliamentary Vote.

Reviewing the industry's order book position, the report states that although Britain's share of world orders fell to 6·2 per cent in 1969—due mainly to capacity and productivity limitations—the total order book of British yards rose to 4·6 million gross tons at the end of March 1970. However, the completion of these orders is spread over several years, pointing to the need for the industry

substantially to increase its rate of output. In 1970, the board feels, output could reach 'the impressive total' of 1·9 million gross tons, approaching the Geddes target of 2·25 million gross tons by 1972-75. The order book for main ship engines continues to improve. At the end of March 1970 orders for slow speed diesels stood at 126 engines equivalent to 1·6 million b.h.p., compared with 78 engines and 1·2 million b.h.p. a year earlier.

The industry, the report states, is undergoing serious cost inflation. The costs of steel, wages and bought-in components have risen faster than most managements have provided for, with the result that the profits of shipbuilders with short construction schedules have been cut, while those with longer term commitments for complex vessels on fixed price contracts may well sustain serious losses on them.

With cost increases showing no sign of abating, the report feels that the emphasis must continue to be placed on increased capital investment, improved management and fuller co-operation of labour. Large sections of the industry will require access to capital which, in the near future, they will be unable to generate from their own resources. This is one of the reasons which produced the recent decision to prolong the life of the board to 1971, thereby extending the time allowed for the reorganisation of the industry.

During the year under review, the board made grants totalling nearly £5·7 million to Harland and Wolff, Swan Hunter and Upper Clyde Shipbuilders (UCS), bringing its total grant commitment to £13 million against a permitted ceiling of £20 million. Loans advanced amounted to £3·6 million with an additional £3 million for the subscription of shares in UCS. The total so far committed in loans, together with the share interest, amounts to £17 million out of a maximum permissible of £32·5 million.

The report concludes by stressing that until the problems of rising costs are dealt with and productive efficiency is brought up to competitive levels, profitability will suffer. The industry has undergone a series of major changes and the present full order book offers a limited period for the industry to improve its output and efficiency. With the groundwork of rationalisation to build upon, the board remains optimistic about the long-term future of the shipbuilding industry.

External Affairs and Defence

Britain and the Developing Countries: Africa	COI, RF P.5867/70
Fiji	COI, RF.P.5879/70
International Co-operation in the Antarctic. The sixth Antartic Treaty Consultative Meeting	COI, Factel No 608
Fiji becomes Independent	COI, Factel No 609

Economic and Scientific Affairs

Jordan. British Aid. Exchange of Notes between Britain and Jordan concerning interest-free development loan. Entered into force 15th March 1970	Cmnd 4464 HMSO, 1s 3d
Turkey. Exchange of Notes between Britain and Turkey amending the United Kingdom/Turkey (Steel Pipe Plant) Loan Agreement No. 3, 1968	Cmnd 4465 HMSO, 9d
Asian Development Bank. Exchange of letters regarding a contribution by Britain to the consolidated special funds of the Asian Development Bank	Cmnd. 4466 HMSO, 9d
An Account of the British Aid Programme. Text of UK memorandum to the Development Assistance Committee of the Organisation for Economic Co-operation and Development by the Ministry of Overseas Development	HMSO 2s 6d
Science Research Council. Report and accounts for 1969-70.	HMSO 8s 6d
Freight Integration Council. First report	HMSO, 1s 9d
Furniture and Timber Industry Training Board. Report and accounts for 1969-70.	HMSO, 5s 6d
Report of the Chief Registrar of Friendly Societies for the year 1969. Part 3: Industrial and Provident Societies.	HMSO, 7s
Construction in Overseas Development, by Charles Cockburn. A pamphlet based on a series of seminars held by the Overseas Development Institute Ltd. which discusses the relevance of British experience in the construction industry to the situation in developing countries and suggests appropriate aid and trade measures for the 1970s.	Overseas Development Institute Ltd., 160 Piccadilly, London W1U 0JS. 13s

Social and Cultural Affairs

Education in Developing Countries. A review of current problems and of British aid, prepared by the Ministry of Overseas Development.	HMSO, 3s 6d

Statistics of Education 1968. Vol. 2: School Leavers, GCE and CSE (F & W). Department of Education and Science.	HMSO, 30s
Handicapped Children in Care of Local Authorities and Voluntary Organisations. Report of the former Scottish Advisory Council in Child Care. The report considers that assessment facilities and procedures for children coming into long-term care should be improved and strengthened.	HMSO, Edinburgh, 4s 6d
Advisory Group on Hepatitis. An advisory group has been set up by the Department of Health and Social Security, the Scottish Home and Health Department and the Welsh Office to consider the medical problems arising from the treatment of chronic renal failure by means of intermittent haemo-dialysis and renal transplantation in the light of the hazards involved, including hepatitis.	Press release DHSS 30.9.70
Facilities and Services of Psychiatric Hospitals in England and Wales	DHSS, 13s
The First Fifteen Months. Report on the work and aims of the Runnymede Trust	Runnymede Trust, 2 Arundel Street, London WC2, free
Do You Care About Historic Buildings? Report on the work of the Historic Buildings Board of the Greater London Council	GLC, County Hall, London SE1, 10s
Land Conservation in Britain.	COI, R.5877

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Contents

President Nixon's European Tour

Visiting the Mediterranean area and Europe from 27th September to 5th October the United States President, Mr Richard Nixon, met and consulted with Heads of State and government leaders in Italy, Yugoslavia, Spain, Britain and the Irish Republic Mr Nixon was accompanied by the US Secretary of State, Mr. William Rogers, and by Mr Henry Kissinger, his adviser on national security affairs At a press conference on 4th October Mr Nixon described the purpose of his trip as 'to strengthen the structure of peace throughout the world, and particularly to strengthen the structure of peace in the Mediterranean area'. The question of stability in the Mediterranean area was a dominant theme in the President's speeches during the tour on 4th October he also took the opportunity to reaffirm the United States commitment to the North Atlantic Alliance. Speaking of the concern among NATO nations that the United States might reduce its contribution to NATO, he affirmed that 'the United States will, under no circumstances, reduce unilaterally its commitment to NATO Any reduction in NATO forces, if it occurs, will only take place on a multilateral basis and on a mutual basis With regard to NATO, we will maintain our present strength We will not reduce it unilaterally We will continue to talk to our NATO allies with regard to how, overall, we can meet our responsibilities together.'

Italy

President Nixon arrived in Rome on 27th September, and described one of the 'primary indispensable principles of American foreign policy' as 'to maintain the necessary strength in the Mediterranean to preserve the peace against those who might threaten the peace' He had talks with President Saragat and Signor Colombo, the Italian Prime Minister, on the following day, during which he also met Pope Paul VI Mr Nixon then flew by helicopter to the aircraft-carrier *Saratoga*, a unit of the US Sixth Fleet on 29th September he addressed the fleet and met its commanders, describing the fleet as 'absolutely indispensable in keeping the peace in the Mediterranean' He then returned to Naples where, on 30th September at the NATO Southern Command headquarters, he met NATO commanders and conferred with US Ambassadors to Mediterranean states

Yugoslavia

Flying to Belgrade during the afternoon of 30th September, Mr. Nixon become the first US President to visit Yugoslavia He was met by President Tito, with whom he had extended talks as well as attending a series of official visits and functions in Belgrade, Zagreb and Kumravec, Mr Tito's birthplace. In a speech at a dinner on 30th September, President Nixon praised Yugoslavia's approach to foreign relations. 'Yugoslavia has tried to demonstrate to the rest of Europe the basic position that the security must rest on a firm foundation of mutual respect for the independence and integrity of all European countries, and of non-interference in their internal affairs. This same principle lies at the heart of our own policies. . . . In our relations with the Soviet Union we are prepared to discuss the requirements of a stable strategic relationship and a

limit in the deadly competition on nuclear arms. In Europe, we are prepared to join with others in helping overcome the division of the continent, at reducing military confrontations, and at developing a full range of economic, cultural and human contacts with each of the nations of Europe. We respect the legitimate interests of others, including those interests that relate to their security. But we do not accept doctrines by which one Power purports to adjudge the right of other countries to shape their own destinies and to pursue their own legitimate interests.' In the course of the joint communiqué issued on 1st October the two Presidents pointed out that 'relations between the Socialist Federal Republic of Yugoslavia and the USA were fully based on the principles of independence and mutual respect, which are also the fundamental principles of the Charter of the United Nations. The two Presidents expressed the conviction that relations on such a basis were not only in the interest of the people of their two countries but constituted a significant factor for stability and peace in Europe and elsewhere in the world. Concrete forms of co-operation were discussed, especially in the economic and scientific-technological fields'

Spain

On 2nd October the President flew to Madrid, where he was welcomed by General Franco; President Nixon spoke of Spanish-American friendship and co-operation as 'an indispensable pillar for peace in the Mediterranean The President and General Franco had talks, later joined by Mr Rogers and Señor Lopez Bravo, the Spanish Minister for Foreign Affairs

Britain

On 3rd October Mr. Nixon flew to London, for talks with the Prime Minister, Mr. Heath; they were joined for lunch by the Queen. Reports indicated that the discussions centred on the Vietnam negotiations and the situation in South-East Asia. A further round of talks was attended by Sir Alec Douglas-Home, the Secretary of State for Foreign and Commonwealth Affairs, Lord Carrington, Secretary of State for Defence, and by Mr Rogers and Mr Kissinger: these discussions were reported to include a review of the Middle East situation, the European security question and the present Berlin negotiations, and NATO affairs.

The Irish Republic

During the evening of 3rd October the President flew to the Irish Republic: on 4th October he had discussions with the US negotiators at the Vietnam talks, Mr. David Bruce and Mr Philip Habib, on 5th October he visited a village with family connections, later meeting President de Valera and Mr. John Lynch, the Republic's Prime Minister, for talks. President Nixon returned to Washington during the evening of 5th October

Chronology, July-September 1970

GENERAL

July

6-16 Scientists from more than 40 countries attended a conference in London on the problems of locust control. The conference marked the twenty-eighth anniversary of the Anti-Locust Research Centre [see COI short note *The Anti-Locust Research Centre*, R(SN).5878/70].

7 The Minister of Overseas Development addressing the forty-ninth session of the UN Economic and Social Council, indicated the attitude of the new British Government to the proposals for the second Development Decade [see 14.8.70 p. 731].

9-18 World Youth Assembly, to mark twenty-fifth anniversary of the United Nations, held at UN Headquarters in New York.

15-23 UNESCO symposium on world water balance held at Reading University.

16 Commonwealth Secretariat announced that Commonwealth Heads of Government had appointed Mr. Azim Husain (India) and Sir Geoffrey Wilson (Britain) as Deputy Secretaries-General [see 31.7.70 p. 718].

16-25 Ninth Commonwealth Games held in Edinburgh. Previous games have been held in Canada (1930 and 1954), England (1934), Australia (1938 and 1962), New Zealand (1950), Wales (1958) and Jamaica (1966). The next Commonwealth Games are to be held in Christchurch, New Zealand, in 1974.

17-31 Quinquennial review conference of the Commonwealth Agricultural Bureaux, in London.

23 International Development Association announced that its executive directors had recommended and transmitted to member governments for approval a proposal for replenishment of the association's resources by more than $2,400 million over a three-year period [see 14 8 70 pp. 735-6].

28- Conference on agricultural education and training in Copenhagen,
8 Aug. jointly sponsored by FAO, UNESCO and the ILO

31 International Civil Aviation Organisation announced the appointment of Dr Assad Kotaite of the Lebanon as Secretary-General for three years from 1st August, succeeding Mr. B T Twigt of the Netherlands.

August

26- Tenth session of UNCTAD Trade and Development Board, in Geneva.
18 Sept

September

8-10 Third conference of Heads of State and Government of the non-aligned nations held in Lusaka, attended by 54 countries Major resolutions were passed on the Middle East, South-East Asia, Southern Africa and decolonisation, and economic co-operation.

13-23 Conference on employment prospects in the developing countries for the 1970s, attended by representatives from over 40 countries, the ILO, FAO, OECD, the World Bank and the Inter-American Development Bank, held at Cambridge.

14-15 Ninth annual high-level meeting of the Development Assistance Committee of the OECD held in Tokyo.

Aid officials from Commonwealth countries met in Nicosia to review working of Commonwealth programme for technical co-operation.

15 Twenty-fifth regular session of the General Assembly of the United Nations opened in New York Mr. Edvard Hambro, of Norway, was elected President for the session.

17-18 Commonwealth Finance Ministers' Meeting, held in Nicosia [see 9.10.70 pp. 868-72].

21-24 Meeting of Commonwealth planners at the Town Planning Institute in London at which agreement was reached on a draft constitution for a Commonwealth Association of Planners.

21-25 Annual meeting of the International Monetary Fund and the Inter-

national Bank for Reconstruction and Development held in Copenhagen [see 9.10.70 pp. 865-8].

24 Foreign and Commonwealth Secretary, Sir Alec Douglas-Home addressed the General Assembly of the United Nations [see 9.10.70 pp. 862-4].

28 Publication of *Education in Developing Countries*, a review of current problems and of British aid (HMSO, 3s 6d).

30 Publication of *An Account of the British Aid Programme*, the text of the British memorandum to the Development Assistance Committee of the OECD.

EUROPE AND THE WESTERN HEMISPHERE

July

2 The Dublin District Court found insufficient evidence to send Mr Neil Blaney, formerly Minister of Agriculture of the Irish Republic, for trial on a charge of conspiring to import arms illegally. Four others, accused with him, including the former Finance Minister, Mr Charles Haughey were sent for trial [see 3.7.70 p. 610].

3-4 The French President, M. Pompidou, the Prime Minister, M. Chaban Delmas, the Foreign Minister, M. Schumann, and other senior French Ministers visited Bonn for consultations with members of the Government of the Federal Republic.

5 General election in Cyprus. The Unified Party, led by Mr. Glafkos Clerides, secured 15 of the 35 seats in the House of Assembly allotted to Greek-Cypriot members, the Communist Party (AKEL) won nine seats, the Progressive Front seven, and the United Democratic Centre Party two, two seats were taken by independents. Separate elections were held for the 15 Turkish-Cypriot deputies and for the Turkish-Cypriot Communal Chamber. The Greek-Cypriot and Turkish-Cypriot members of the House of Representatives have not met together since the communal fighting of December 1963.

Señor Luis Alvarez of the ruling Institutional Revolutionary Party was elected President of Mexico; he will take office on 1st December.

6 Italian Prime Minister, Signor Mariano Rumor, announced the resignation of his Centre-Left coalition Government. After lengthy negotiations a new coalition Government of similar composition was formed on 6th August under the leadership of Signor Emilio Colombo, the former Minister of Finance.

6-7 A Soviet delegation, led by Prime Minister, Mr Kosygin, visited Rumania. On 7th July a twenty-year treaty of friendship and mutual co-operation between the two countries was signed.

7 The Foreign and Commonwealth Secretary, Sir Alec Douglas-Home gave members of the House of Commons details of British aid to victims of the earthquakes in Peru [see 3.7.70 p. 611]. In response to a special request by the Peruvian authorities specialised signals equipment, to help to restore communications in the disaster area, had been flown out by the Royal Air Force, which had also flown out six tons of drugs and medical supplies. Experts working on behalf of the Ministry of Overseas Development were assisting the Peruvian Government. Over £180,000 had also been subscribed by voluntary societies and private individuals in Britain. (See also entry under 9th September.)

9 Representatives of the Soviet state committee on science and technology and the Italian Institute for Industrial Reconstruction signed in Rome a five-year agreement for collaboration between state-owned industries in Italy and the Soviet Union.

10 Prime Minister of Iceland, Dr. Bjarni Benediktsson, died together with his wife and grandson when fire destroyed his summer home. The Minister of Justice, Mr Johann Hafstein, assumed temporary leadership of the Government and his appointment as Prime Minister was later confirmed.

Export Credit Guarantee Department and a London firm of merchant bankers signed an agreement with the National Bank of Hungary providing credit to the value of £5 68 million for the purchase of British equipment, material and services for a fertiliser plant to be built in Hungary A similar agreement providing for a £6 million 'line of credit' for the purchase of British capital goods and services was signed on 13th August

15 The President of Finland appointed a coalition Government, led by Mr Ahti Karjalainen, a former Foreign Minister. The new Government replaced a caretaker 'Government of experts' under Mr Teuvo Aura [see 3 7 70 p 610]

The Foreign and Commonwealth Secretary visited Paris for talks with the French Foreign Minister, M Schumann

15-17 The Defence Secretary, Lord Carrington, visited the Federal Republic of Germany, where he had talks with the German Defence Minister, Herr Schmidt, and visited the headquarters of the British Army of the Rhine and of the Royal Air Force in Germany

16-17 Herr Scheel, Foreign Minister of the Federal Republic of Germany, paid an official visit to Britain for talks with the Foreign and Commonwealth Secretary

16-18 Ninth Assembly of European Municipalities held in London [see 25 9 70 pp 825-7]

17-20 The President of Finland, Dr Kekkonen, paid an official visit to the Soviet Union On 20th July the Soviet and Finnish Foreign Ministers signed an agreement extending for a further 20 years the treaty of friendship and co-operation between the two countries. On 22nd July President Kekkonen travelled to the United States for discussions with President Nixon

19 Death of Greek Foreign Minister, Mr Panayotis Pipinellis, the Prime Minister, Mr George Papadopoulos, assumed the post of Foreign Minister.

President Carlos Restreppo of Colombia imposed a state of siege because of internal disturbances

21 Ministers from Britain and the six countries of the EEC met in Brussels to discuss the further conduct of the membership negotiations [see 31 7 70 pp. 697-8].

22 Lord Balniel, Minister of State, Ministry of Defence, announced in the House of Commons that agreement had been reached between the British Government and the Government of the Federal Republic of Germany on a £250 million development programme to construct seven prototypes of the multi-role combat aircraft [see 31.7 70 pp. 700-1].

A supplementary protocol between Turkey and the EEC was agreed at a meeting of the Turkey-EEC Association Council, implementing the transfer from the preparatory stage to the transitional stage under the association treaty which came into force in 1964.

23-24 General Andrew Goodpaster, Supreme Allied Commander, Europe, visited Britain and had discussions with the Defence Secretary, Lord Carrington.

26- The Foreign Minister of the Federal Republic of Germany, Herr Scheel,
7 Aug. visited Moscow for talks with the Soviet Foreign Minister, Mr. Gromyko. On 7th August the two Ministers initialled the final text of a non-aggression treaty [see 28.8.70 pp. 763-6].

27 Death of Dr. Antonio de Oliveira Salazar, Prime Minister of Portugal from 1932 to 1968.

August

6 The US Secretary of State, Mr. Rogers, and the Spanish Foreign Minister Señor Lopez Bravo, signed in Washington an agreement providing for the continued maintenance by the United States of naval and air bases in Spain.

10 The body of Mr. Dan Mitrione, a United States security adviser to the Uruguayan Government kidnapped by guerrillas known as the Tupamaros, was found in Montevideo. The President of Uruguay had earlier refused to accede to the guerrillas' demands that he release a *number of prisoners in exchange for the release of Mr. Mitrione and two* other hostages.

11 Ministry of Overseas Development announced a grant of £50,000 to the Falkland Islands as a contribution toward the cost of extending the power station at Stanley, the territory's capital.

12 German-Soviet non-aggression treaty signed in Moscow by the Federal Chancellor, Herr Brandt, and the Soviet Prime Minister, Mr. Kosygin [see 28.8.70 pp. 763-6].

15-19 The Yugoslav Federal Prime Minister, Mr. Ribicic, visited Denmark, Sweden and Norway, where he had discussions with Prime Ministers and other senior government representatives.

18 Announcement that the Bank of London and South America had agreed to extend a £4 million 'line of credit' to the Colombian Ministry of Public Works for the purchase of road building and maintenance equipment in Britain. Funds for the credit, which is guaranteed by the Export Credit Guarantee Department, are being provided by a syndicate of British clearing banks.

19 Sino-Soviet trade talks began in Khabarovsk, Soviet Far East.

20 Government and party leaders from the countries of eastern Europe met in Moscow and discussed matters arising from the signature of the German-Soviet treaty.

21 After a two-day meeting between President Nixon and President Ordaz of Mexico, at Puerto Vallarta in Mexico, agreement was announced for settlement of a long-standing border dispute between the two countries.

26 Chief Minister of Gibraltar, Major Robert Peliza, visited London for talks with Mr. Godber, Minister of State at the Foreign and Commonwealth Office.

September

1 Announcement in London that agreement had been reached in principle on a merger between the Bank of London and South America (BOLSA) and Lloyds Bank Europe, a wholly-owned subsidiary of Lloyds Bank.

The merger would give Lloyds Bank effective control of BOLSA [see 25.9.70 pp. 833-4].

4 Dr. Salvador Allende, the Popular Unity candidate, came top of the poll in the Chilean presidential election. Since he did not obtain an absolute majority his election awaits confirmation by a joint session of the two Houses of Congress on 24th October

9 Announcement that the World Bank will make a loan of $30 million for reconstruction in the area of northern Peru devastated by earthquakes in May [see 3.7.70 p. 611]. On 28th September the British Government announced a loan of £1 million to Peru for reconstruction. The British loan is for 25 years, of which the first seven are interest free, and is to be used for the purchase of British goods.

9-11 European Conference of Ministers responsible for Regional Planning held in Bonn.

10 Announcement that Commonwealth Development Corporation is to invest £1,580,000 in equity and loan in a new company, Rodney Bay Ltd., established to drain, reclaim and develop land in St. Lucia.

14 Ministerial meeting of the Western European Union held in Rome.

15 In a message to the United States Congress, President Nixon proposed the creation of separate organisations for each sector of U.S. foreign aid: security assistance, humanitarian assistance, and development assistance. The prime objective of security assistance should be to help other countries to assume responsibility for their own defence and thus reduce the U.S. presence abroad. An increasing share of development assistance should be channelled through multilateral institutions and the remaining bilateral assistance should be provided within a framework established by international institutions. Also proposed was a system of U.S. tariff preferences for the imports of manufactures from low-income countries, a reduction of aid-tying restrictions, and support for an international investment insurance agency, under the auspices of the World Bank.

16 An agreement was announced on technical co-operation between Britain and Honduras.

17 Joint meeting of the European Parliament and the Consultative Assembly of the Council of Europe held in Strasbourg.

18-25 Consultative Assembly of the Council of Europe met in Strasbourg.

20 At a general election in Sweden, the ruling Social Democratic Party, led by Mr. Olof Palme, secured 163 seats in the 350-seat single-chamber Parliament, which replaced the former bicameral legislature. The Centre Party won 71 seats, the Liberal Party 58, the Conservative Party 41 seats and the Communist Party 17 seats.

22-25 President Ceausescu of Rumania paid a state visit to Austria.

23-27 Professor Karl Schiller, Economics Minister of the Federal Republic of Germany, visited Moscow for talks with Mr. Nikolai Patolichev, Soviet Minister of Foreign Trade and other senior Soviet government representatives. The discussions concerned the possibilities of future economic, scientific and technological co-operation between the two countries.

24 Cabinet changes in Canada included the appointment of Mr. Donald Macdonald as Minister of Defence in succession to Mr. Leo Cadieux, who is to become Canadian Ambassador to France.

27-5 Oct. President Nixon, visited Italy, Yugoslavia, Spain, Britain and the Irish Republic (see pp. 889-90).

AFRICA AND THE MIDDLE EAST

For a detailed account of events during the quarter in the Arab-Israel dispute and in Jordan see 25.9.70 pp. 816-25 and 9.10.70 pp. 855-62

July

1 South Africa's Foreign Minister, Dr Muller, who was on a private visit to London, called on the British Foreign and Commonwealth Secretary, Sir Alec Douglas-Home.

1-2 The Israel Foreign Minister, Mr. Eban, on a visit to London, had talks with Sir Alec Douglas-Home.

4 Libya passed a law restricting the import of oil products to the Libyan National Oil Organisation.

7-11 Mr. J. H. Mensah, Ghana's Minister of Finance, attended a conference on Ghana's debts, held at Marlborough House, London [see 5.12.69 p. 1069]. Under the provisional agreement initialled at the end of the talks relief is to be granted on 50 per cent of the amounts due from Ghana both principal and interest, between July 1970 and June 1972. The agreement also provides for a further debt conference to be held before mid-1972.

10 Meeting held in Pretoria between Mr. Smith, 'Prime Minister' of the illegal regime in Rhodesia, and Mr Vorster, Prime Minister of the Republic of South Africa.

Sir Alec Douglas-Home met the Shah of Iran in Brussels for talks. Subsequently he had talks in London with several Rulers and representatives of the Gulf States.

Announcement of World Bank 25-year loan of $40 million to Zambia to finance the foreign exchange costs of the power station at the Kariba Dam on the north bank of the Zambezi.

12 Final agreements were signed in Peking for the financing and building by China of the 1,000 mile railway between Lusaka, Zambia, and Dar es Salaam, Tanzania.

17 President Nasser of the United Arab Republic ended an extended visit to Moscow (from 29th June), where he had talks with Soviet leaders. A communiqué was issued after the visit.

President Obote of Uganda announced his proposed electoral reform designed to overcome tribal voting. His proposals were accepted by the National Council of the Uganda People's Congress on 13th August.

20 The British Foreign and Commonwealth Secretary made a statement on the resumption of arms sales to South Africa. This was followed by a debate in the House of Commons on 22nd July and a UN Resolution on the subject of the arms embargo on 23rd July [see 14.8.70 p. 726].

21 The Libyan Government expropriated the property of Italian citizens.

Major-General Ensio Siilasvuo of Finland was appointed Chief of Staff of the UN Truce Supervision Organisation in the Middle East, in succession to Lieut-General Odd Bull of Norway.

22 A meeting was held in Dar es Salaam between the Presidents of Tanzania, Uganda and Zambia, to discuss what joint action should be taken if Britain should decide to resume sales of arms to South Africa.

The United Arab Republic accepted the United States' proposals to renew the cease-fire and to hold indirect talks between the parties to the

22 Arab-Israel dispute. Jordan accepted on 26th July and Israel on 4th August.

23 Sultan Said bin Taimur of Muscat and Oman was deposed in a bloodless *coup* by his son Qaboos bin Said, who was recognised as Sultan by Britain on 29th July. Sultan Qaboos appointed Mr. Tariq bin Taimur to be Prime Minister. On 9th August the Sultan announced that the country would in future be known as the Sultanate of Oman.

26 Morocco adopted a new constitution after a referendum.

27 Agreement signed in Accra for a British loan of £3·7 million to Ghana in 1970-71.

28 Mauritania and Algeria signed an agreement to establish an intergovernmental committee to further economic, cultural, scientific and technical co-operation.

29 President Mobutu of Congo (Kinshasa) ratified a commercial and economic agreement with Britain.

Britain formally recognised the Yemen Arab Republic. France also granted recognition.

30 President Mobutu of Congo (Kinshasa) began a 12-day visit to the United States.

Sierra Leone's former military ruler, Brigadier Juxon-Smith, sentenced to death for treason by the Supreme Court in Freetown.

August

4 First regional tourism conference for southern Africa opened in Malawi and was attended by representatives from South Africa, Lesotho, Mauritius, Mozambique, Angola and Swaziland.

4-18 President Numeiri of the Sudan visited the Chinese People's Republic, returning via Moscow and Cairo.

5-6 The Foreign and Defence Ministers of Libya, United Arab Republic, Sudan, Syria and Jordan met in Tripoli.

7 Dissolution of the Presidential Commission in Ghana (see 5.12.69 p 1068) and retirement from the armed forces of its chairman, General Afrifa.

'Standstill' cease-fire came into operation along Suez Canal.

12 Algeria announced that it was withdrawing its troops from the United Arab Republic.

17 Mr. Frangieh elected President of the Lebanon.

18-21 Seventeenth regular session of the African Liberation Committee of the Organisation of African Unity (OAU) held in Addis Ababa, Ethiopia. The fifteenth session of the Ministerial Council of the OAU was held in Addis Ababa, from 24th to 31st August (see 1st to 3rd September for reference to the Summit Conference).

19- Sir William Luce, who recently took up an appointment at the Foreign
26 Sept. and Commonwealth Office supervising the co-ordination of policy towards the Gulf area, visited Gulf and neighbouring states for consultations. His visit included talks in Bahrain, Dubai, Oman, Saudi Arabia, Kuwait, Iraq, Iran and the United Arab Republic.

19 President Bongo of Gabon announced that all companies operating in Gabon must set up head offices in the country before 31st December 1970.

20-23 King Hussein and President Nasser met in Alexandria for talks.

24 Dr. K. A. Busia, Prime Minister of Ghana, announced cuts in his salary and in those of Cabinet Ministers, Regional Commissioners, Chief Executives and Ministerial Secretaries.

24- 6 Sept. General Gowon, Head of State of Nigeria, undertook a tour of Algeria, Sudan and the UAR, in the course of which he attended the OAU summit meeting in Ethiopia.

25 Indirect talks between UAR, Israel and Jordan opened in New York, under the auspices of Dr. Jarring, the UN mediator.

26 The Government of the Sudan announced the nationalisation of the Press.

29 Iran and the UAR resumed diplomatic relations.

31 Mr. Edward Akufo-Addo, former Chief Justice, was sworn in as President of the Second Republic of Ghana after receiving 123 votes at the election. His opponent, Dr Asafu-Adjaye, received 35 votes.

September

1-3 Seventh summit conference of the Heads of State and Government of the OAU in Addis Ababa, under the chairmanship of President Kaunda of Zambia, was opened with an address by the UN Secretary-General U Thant. The reconciliation was announced of Nigeria with the four African states which had recognised the secessionist regime of 'Biafra' in 1967: Tanzania, Zambia, Gabon and Ivory Coast. The conference closed one day ahead of schedule, having adopted resolutions on arms to South Africa, decolonisation, Rhodesia, the Middle East and a number of other issues. It was agreed that an OAU delegation of Foreign Ministers, under the leadership of President Kaunda of Zambia, would be sent to make representations to Britain, France, Italy and the Federal Republic of Germany on the question of arms sales to South Africa.

1-4 A conference of 14 West African countries held in Dakar established the West African Rice Development Association.

6 At general election in the Malagasy Republic, President Tsiranana's Social Democrat Party gained an overwhelming majority.

Israel announced that it was suspending participation in the talks under Dr. Jarring's auspices because of repeated Egyptian violations of the 'standstill' element of the cease-fire.

6-9 The Popular Front for the Liberation of Palestine, a *fedayeen* group, hijacked four aircraft, holding some of the passengers and crew hostage for the release of Palestinian guerrillas held by Britain, Switzerland, the Federal Republic of Germany and Israel.

9 The Government of Guinea agreed to establish diplomatic relations with the 'German Democratic Republic'.

Iran recognised the Yemen Arab Republic.

11 Agreement between the Government of Sierra Leone and Sierra Leone Selection Trust Ltd. signed in Freetown, providing for the acquisition by the Government of a majority interest in the company's mining operations in Sierra Leone.

14 State of emergency declared in Sierra Leone following the resignation of two Ministers.

15 Mr. Vorster, Prime Minister of South Africa, announced his Govern-

ment's willingness to enter into a non-aggression treaty with any country in Africa.

16 Military Government appointed in Jordan. The sporadic fighting of the previous weeks now developed into a large-scale civil war between the Jordanian army and the *fedayeen* organisations.

18-21 Mrs. Meir, Israel Prime Minister, visited Washington for talks with President Nixon.

19 Syrian/Palestine Liberation Army units intervened in the fighting in Jordan.

Agreement signed in Congo (Kinshasa) giving an American mining consortium certain 20-year mineral rights in Katanga.

24 Nationalisation of the Niari Sugar Company and the Société Industrielle et Agricole du Niari and their subsidiaries in Congo (Brazzaville) and take-over of their assets by the Société Congolaise Agro-Industrielle, formed by the Government for this purpose.

25 Over 80 people were killed in a disaster at Mufulira copper mine in Zambia. The mine produces almost a quarter of Zambia's copper and it is expected to take six months before even 75 per cent of its normal output can be reached.

26 Mr Owusu, Ghanaian Minister of Foreign Affairs, discussed with the British Foreign Secretary Ghana's external debt and Britain's proposal to sell arms to South Africa.

26 New Government appointed in Jordan, led by Mr. Ahmed Touken

27 Formal agreement to stop the fighting in Jordan signed in Cairo between King Hussein, Mr Yassir Arafat, chairman of the Central Committee of the Palestine Liberation Organisation, and the representatives of eight Arab States.

28 Death of President Nasser of the United Arab Republic Mr. Anwar Sadat has been elected President.

Mr Smith, ' Prime Minister ' of the illegal regime in Rhodesia, had talks with Mr Vorster during a visit to Cape Town at the personal invitation of the South African Prime Minister

ASIA AND THE PACIFIC

July

1 Administrative division of West Pakistan into four Provinces (Baluchistan, North-West Frontier, Sind and Punjab) came into operation

Mr. David Bruce named as new head of the US delegation to the Vietnam talks in Paris.

2 Cambodian Head of State, Mr. Cheng Heng, granted Prime Minister Lon Nol and Deputy Prime Minister Sirik Matak full power to take all governmental decisions during the war emergency In a series of Cabinet changes Mr. Koun Wick was appointed Foreign Minister

2-3 Fifteenth council meeting of SEATO took place in Manila [see 31.7.70 pp. 698-700].

3 Military tribunal in Cambodia began trial, *in absentia*, of former Head of State, Prince Sihanouk, and pronounced death sentence on 5th July.

5 Deputy Prime Minister of New Zealand, Mr. Marshall, arrived in London for talks on the implications for New Zealand if Britain joins the EEC.

6 The US Government made known to the Government of the Republic of South Korea its intention to reduce its 64,000-man force there. Further discussions on the subject were held between the US Vice-President, Mr. Agnew, and President Chung Hee Park in Seoul on 25th August.

7 Australian Deputy Prime Minister and Minister of Trade, Mr. McEwen, arrived in London for talks on the implications for Australia if Britain joins the EEC.

A letter from the Prime Minister of Laos, Prince Souvanna Phouma, protesting against North Vietnamese activity in Laos and the capture of Saravane by Communist troops, was circulated with a covering note to the 1962 Geneva Conference Powers by Britain, as one of the Geneva Conference co-chairmen.

10 Announcement of British interest-free loan of £3 million to Pakistan for the purchase of a wide range of British goods needed for economic development.

World Bank loan of $20 million to Malaysia for electric power development.

The American Bishop, James Walsh, was released by China after 12 years' imprisonment.

14 Mauritius Government announced that under a fisheries agreement with Russia it had granted harbour facilities to Russian fishing vessels and that Russia would provide assistance in developing the Mauritius fishing industry. On the following day, the Mauritius Prime Minister, Sir Seewoosagur Ramgoolam, on a visit to London, assured Britain that the agreement did not imply any weakening of Mauritius's ties with the West.

A Ceylon official communiqué announced that Ceylon had extended full diplomatic recognition to North Vietnam as from 24th June. On the following day it was announced that diplomatic relations at embassy level would be established with North Korea.

18 Prime Minister of Singapore, Mr. Lee Kuan Yew, presented with the insignia of a Companion of Honour.

18-31 Visit to India of Mrs. Nguyen Thi Binh, 'Foreign Minister' of the 'Provisional Revolutionary Government' of South Vietnam.

The Ceylon House of Representatives met, as a Constituent Assembly, to enact a constitution which will declare Ceylon a sovereign republic.

First rocket attack on Saigon since 12th May.

23 Pakistan Aid Consortium met in Paris. Britain pledged aid of £10 million in 1970-71.

Royal Assent given to Fiji Independence Bill [see 19.6.70 pp. 582-4

24- Visit by the Secretary of State for Defence, Lord Carrington, to Singapore,
6 Aug. Malaysia, Australia and New Zealand.

31 Prime Minister of India, Mrs. Gandhi, announced that Himachal Pradesh, previously administered by the central Government, would become the eighteenth state of India.

August

2 Mr. George Watt, the British engineer imprisoned in China in 1967 on charges of espionage, was released.

3 The Indian Government announced that relations would be established with the 'German Democratic Republic' at consular-general level

3 The first of a series of meetings was held in Vientiane between the Prime Minister of Laos, Prince Souvanna Phouma, and Tiao Souk Vongsak, the envoy of the leader of the pro-Communist Pathet Lao, Prince Souvanouvong, to discuss the possibility of negotiations between the two sides for a peaceful settlement in Laos.

4 During a visit to South Korea by the South Vietnamese Prime Minister, Tran Thien Khiem, President Park promised that South Korea's 50,000-man force would remain in South Vietnam until the end of the war.

10 The Second Secretary of the Cambodian embassy in Prague, claiming to represent Prince Sihanouk's Front, occupied the embassy building. He eventually left Czechoslovakia for Peking on 9th September.

11-21 The King and Queen of Tonga made a state visit to New Zealand.

13 Announcement by the International Development Association of a credit of $23 million for electric power development in Pakistan

Agreement signed in Mauritius for British aid of £500,000, under the Rome Food Aid Convention, for the purchase of wheat and flour during the 1970-71 harvest year.

17 At a meeting in Peking, Chinese military aid for 1970 was agreed for Prince Sihanouk's 'Royal Government of the National Union of Cambodia'

20 New Zealand announced that an infantry company of 144 men would be withdrawn from Vietnam by the end of the year.

23 The U S Vice-President, Mr. Agnew, began a tour which included South Korea, Formosa, Thailand and South Vietnam and a brief stop in Cambodia.

23-6 Sept The second plenary session of the Ninth Central Committee of the Communist Party of China was held in Peking, with Chairman Mao Tse-tung presiding. The decision was taken at the meeting to convene the National People's Congress the body responsible for authorising higher state appointments, which has been dormant since 1964.

24 Agreement signed in Djakarta for British interest-free loan of £750,000 to Indonesia, to be devoted to the rehabilitation of the spinning industry, the provision of radio beacons and the provision of micro-hydro power sets British loans to Indonesia now total £2 65 million.

The US Government announced that it was to give Cambodia up to $40 million in military aid.

28 Western Samoa became a member of the Commonwealth.

Agreement signed in Colombo for British loan of £3 million to Ceylon (see 11.9.70 p. 798)

September

3 President Suharto of Indonesia made a one-day visit to The Hague. (The visit had been curtailed following demonstrations in The Hague and an attack on the Indonesian Embassy by young Ambonese, campaigning for independence from Indonesia) The President then went to Bonn for a three-day visit to Germany.

The leader of the North Vietnamese delegation to the Paris talks, Mr. Xuan Thuy, attended the eighty-second session, his first appearance at the talks for nine months.

7 A Presidential Decree abolished the princely order in India, together with all the rights, titles, privileges and privy purses hitherto enjoyed by the former rulers.

8-21 The second Asian conference on industrialisation, organised by the UN Economic Commission for Asia and the Far East in co-operation with the UN Industrial Development Organisation, took place in Tokyo.

8 Sixteenth anniversary of the founding of the South-East Asia Treaty Organisation (SEATO). Messages of support were sent by Australia, Britain, New Zealand, the Philippines, Thailand and the United States.

10 Foreign Minister Thanat Khoman said that Thailand would not be sending either volunteer or regular troops to Cambodia.

11-22 The Chancellor of the Duchy of Lancaster, Mr. Rippon, visited Hong Kong, Australia and New Zealand. The Australian and New Zealand Governments had invited him for discussions of problems which would arise from Britain's membership of the EEC.

13 The world exhibition, Expo '70, closed in Osaka, Japan. The British Pavilion had had 8,576,600 visitors, 13 per cent of the exhibition's total attendance.

14 The first Asian ministerial conference on social welfare opened in Manila, attended by delegates from 19 countries and ten UN specialised agencies.

17 At the Paris talks the leader of the delegation of the 'Provisional Revolutionary Government' of South Vietnam, Mrs. Nguyen Thi Binh, put forward an eight-point initiative for a settlement (an elaboration of the National Liberation Front's ten-point programme of 8th May 1969). The main point of the proposals was that if US and allied troops were withdrawn from Vietnam by 30th June 1971 the Communists would refrain from attacks and would discuss security guarantees and the release of all prisoners of war.

21 A new Yang di-Pertuan Agong (Head of State), the Sultan of Kedah took office in Malaysia. At the same time, in accordance with an intention announced on 30th August, the Prime Minister, Tunku Abdul Rahman resigned. Tun Razak, former Deputy Prime Minister, took office as Prime Minister on 23rd September.

24 Agreements signed in New Delhi for British interest-free loans of £26 million and £3·1 million. The former represented the first loan under the pledge of £45 million in loans during 1970-71, made at the India Aid Consortium meeting in Paris in May. The latter, to be spent on items for the Durgapur Steel Works, was made from savings occurring from an earlier loan for Durgapur.

26 Agreements signed in Islamabad for British interest-free loans of £1[illegible] million and £345,000 for Pakistan, the former to be a contribution to the Tarbela Development Fund [see 2.1.70 p. 36] and the latter for the purchase of power distribution equipment by the East Pakistan Water and Power Development Authority.

26 The twentieth meeting of the ANZUS Council was held in Washington attended by the Australian Minister for External Affairs, Mr. McMahon, the New Zealand Ambassador in Washington, Mr Corner, and the US Secretary of State, Mr. Rogers. They discussed world trends and reviewed developments in Asia, the Pacific and the Indian Ocean.

28 The Singapore Prime Minister, Mr. Lee Kuan Yew, arrived in Bonn on a four-day official visit.

Agriculture

ADJUSTMENT OF GUARANTEED PRICES

On 6th October the Government announced various adjustments to the agricultural guaranteed prices contained in the Annual Review White Paper [see 10.4.70 pp. 374-9]. The new arrangements were published as a White Paper – *Adjustment of Agricultural Guaranteed Prices* (Cmnd. 4498, HMSO, 1s 6d).

Ordinarily, increases in production costs are taken into account at the following Annual Review. However, there have been large increases in production costs throughout Britain since the 1970 review and, in particular, the cost of feedingstuffs has risen exceptionally sharply as a result of the steep rise in grain prices in world markets. These increases are on an unprecedented scale and the Government considers that unless immediate action is taken, not only will future expansion in agriculture be jeopardised but there could be an early cutback in production. The Government has therefore decided to make immediate increases as an exceptional measure outside the normal arrangements associated with the review procedures. The changes to be made are as follows:

Fat cattle	The guaranteed price for the year will be raised by 10s per cwt to 232s 6d per cwt.
Milk	The guaranteed price for the year will be raised by 2½d per gallon to 4s 1½d.
Sheep	The guaranteed price for the year will be raised by 1½d per lb to 4s 0½d. The basic and supplementary rates of hill sheep subsidy will also be raised by 7s 6d a head.
Pigs	The middle band of the flexible guarantee (i.e. the number of pigs to which the automatic price adjustment is geared) will be raised by 450,000.
	[Guaranteed prices for livestock commodities are determined in relation to a guarantee year. Rather more than half of the current guarantee year has already run. The effective increase to producers for the rest of the year will, therefore, be approximately double the rate of increase shown above.]
Wheat	The guaranteed price will be raised by 1s per cwt to 31s 3d per cwt.
Barley	The guaranteed price will be raised by 1s per cwt to 28s per cwt.
Sugar beet	The guaranteed price will be raised by 2s 6d per ton to 139s per ton.

The changes in guaranteed prices will operate as soon as possible for livestock commodities and will apply to crops of the 1970 harvest for wheat, barley, and sugar beet.

The Government has decided to make no changes in the guaranteed prices for eggs, wool, oats, rye and potatoes.

The value of these measures in normal review terms is about £54 million. The guaranteed prices for milk and sugar beet are not underwritten by the public purse—except that, in the case of milk, temporary surpluses or deficits are accommodated by the Ministry of Agriculture, Fisheries and Food—and the increased guarantees for these commodities will, in due course, have to be taken into account in the retail price of milk to the consumer and in sugar prices. The higher guarantees for other commodities fall to be honoured by the Government; the value of these is £29 million in a full year, £21 million in 1970-71.

The higher prices currently realised for grain and, to a lesser extent, for meat have resulted in savings for the Government of money which would otherwise have been paid in deficiency payments. Even allowing for the new increased guarantees, the total cost of support is still expected to show a substantial saving on the published estimate for 1970-71 as adjusted to take account of the determinations made after the 1970 annual review.

Industrial Relations

GOVERNMENT ISSUES CONSULTATIVE DOCUMENT

On 5th October the Department of Employment and Productivity issued a consultative document on industrial relations (available on request from the department) setting out in detail the Government's proposals for reform in this field. The Government intends in the forthcoming session of Parliament to pass the first comprehensive Industrial Relations Act in British history and the document provides the basis for discussions between the Government and the Trades Union Congress and the Confederation of British Industry on the final contents of the Bill. Comments are also invited from other interested organisations and individuals. It is the Government's intention to present its Bill to Parliament towards the end of the year in the expectation that its provisions will become law in 1971.

The contents of the document follow closely many of the proposals set out by the Conservative Party when in Opposition in 1968 under the title *Fair Deal at Work*. Some proposals amend existing provisions while others introduce new concepts into the field of industrial relations in Britain.

Summary of Proposals

The document sets out a wide range of proposals for encouraging good industrial relations practice by setting national standards, protecting individual rights, introducing a new system of courts and tribunals for industrial relations practice, providing new methods of resolving disputes over the machinery of industrial relations, and protecting the public interest when it is threatened by a breakdown in industrial relations.

Code of Practice

To improve standards of practice in general, it is proposed that, within a year of the Industrial Relations Bill becoming law, the Secretary of State would publish a Code of Industrial Relations Practice, which, while not directly enforceable, would lay down standards of practice that those concerned would be expected to follow.

Statutory Agencies

The Government proposes to set up a new system of informal and expert courts to handle cases about industrial relations matters. At the lower level there would be the existing Industrial Tribunals (IT) with extended functions (which would generally deal with issues involving an individual) and at the higher level there would be a new National Industrial Relations Court (NIRC) with equivalent status to the High Court (which would decide collective issues and other issues of major importance). Both the court and the tribunals would be able to award compensation, determine the rights of a party, make orders to refrain from unfair industrial actions (see below), and have a limited discretionary power to award costs. The NIRC would have power to enforce these orders.

The existing Commission on Industrial Relations (CIR) would, it is proposed, be put on a statutory basis, retain its present responsibilities and be given additional ones.[1]

A new Registrar of Trade Unions and Employers' Associations would be established to take over the functions under trade union law of the existing Registrar of Friendly Societies. He would ensure that the rules of registered organisations conformed to minimum standards and were properly administered and would protect the rights of individuals.

Individual Rights

Individuals would have a statutory right to belong to a trade union and to take part in its activities, or not, as they chose. Employees would also be protected against unfair dismissal (dismissal disputes being a frequent cause of strikes) and long-service employees would be entitled to longer periods of notice than at present apply.

The Government is opposed to the 'pre-entry closed shop' in which an individual can be excluded from taking up a job if he does not hold a union card and it is therefore proposed that any such arrangements in existence would be made void. At the same time, it is proposed that in cases where an employer or a registered trade union or 20 per cent of the employees request it, a ballot of workers (to be conducted by the CIR) would be held to decide by a straight majority vote whether or not to establish an 'agency shop' in which a registered union represents and is financially supported by all the employees in the undertaking (except conscientious objectors).

In no circumstances would any court or other body have the power to compel an individual who is on strike to return to work or to compel an individual to take industrial action.

Immunities and Liabilities

Trade unions and employers' associations currently enjoy certain legal immunities derived from a series of laws going back to 1871. These immunities would be generally maintained but would only be valid for organisations registered with the new Registrar.

A novel feature of the Government's proposals is the introduction of the concept of 'unfair industrial actions' that is, actions seriously contrary to good industrial relations practice and the right of those who claim to have been directly injured by such actions to seek remedy before an IT or the NIRC. 'Unfair actions' are identified throughout the document and include, on the employer's side, infringing a worker's right to join or not join a union, refusing to employ a person because of his union membership or non-membership, or conducting a lock-out in furtherance of a recognition dispute while it is being considered by the NIRC and the CIR, and, on the trade union side, calling or

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[1] For a review of the activities of the CIR since it was founded in March 1969 see 14.8.70 pp. 738-40.

threatening to call strikes against one employer in support of unfair industrial action against another, or against an employer not directly involved in a dispute to stop him supplying goods or services to one who is.

Trade Unions and Employers' Associations

Only organisations registered with the new Registrar would be entitled to the rights and privileges incorporated in the proposals, and to acquire registration the rules of the organisations would have to conform to basic principles laid down in the consultative document. These principles maintain that no individual can be arbitrarily excluded from membership of a union if he is reasonably qualified to do work ordinarily done by its members; that no restriction be set on the right of an individual to resign if he has met his obligation, that every member has an equal right to attend and participate in meetings, vote (secretly when a ballot is used) and hold office, that a member has the right to a full and fair hearing before he can be disciplined or expelled from the organisation; that a member has the right to institute proceedings in any court or tribunal or to appear as a witness; and that no organisation can punish a member who refuses to take part in an unfair industrial action.

Collective Bargaining

An important aspect of the Government's proposals is that any written collective agreement made after a given date in the future should be presumed to be a legally binding and enforceable contract, unless clearly specified otherwise This decision, the document declares, is based on the need to end the present doubtful status in law of collective agreements and on the desirability, firstly that agreements should be expressed in language making it clear what has been agreed, and secondly, that parties should regard or come to regard the signing of agreements as a responsible act binding them in law to honour their commitments.

Recognising that the procedures followed in case of an industrial dispute are often a cause of poor industrial relations, the Government proposes that, in situations where agreed disputes procedures are unsatisfactory or non-existent an employer, a trade union or the Secretary of State should be able to apply to the NIRC for a reference to the CIR about the matter, that the CIR would try to secure agreement on new or improved procedures and that the NIRC could in certain circumstances make the CIR's decisions binding

The document asserts that it is of prime importance to healthy industrial relations that there should be a stable and effective bargaining structure It is therefore proposed that, in cases where no agreement can be reached between the two sides on bargaining rights and structures, the NIRC could refer any application before it on this matter to the CIR to recommend bargaining arrangements, i.e. specify trade unions or panels of trade unions to represent the workers concerned. These arrangements could be made enforceable on application from the employer or trade union, if this was supported by the majority of employees in a secret ballot.

To assist trade unions in negotiations it is proposed that the Code of Industrial Practice would include guidance on the employer's duty to disclose certain company information.

National Emergencies and Strike Ballots

New powers are proposed for the Secretary of State for Employment and Productivity in cases where major disputes are likely to endanger the national economy. Under these powers he could apply to the NIRC for an order lasting up to 60 days restraining any union, employer or employers' association or any individual from taking steps to call, induce or finance industrial action which would create a national emergency.

Secondly, where there is doubt whether industrial action which would seriously affect the life of the community is supported by the majority of workers involved, the Secretary of State could apply to the NIRC for an order requiring a secret ballot of the workers to be held. The result of the ballot would be published but would not be binding on the unions concerned.

Employment Minister's Statement

In a separate statement introducing the consultative document, the Secretary of State for Employment and Productivity, Mr. Robert Carr, emphasised the Government's wish to preserve the voluntary basis of Britain's industrial relations system. He pointed out that voluntary action in industrial relations currently took place within a framework of law but asserted that much of the existing law was out of date and in many respects was irrelevant, incomplete and harmful in terms of modern needs and conditions. The Government believed that the provision of a new legal framework was one of the essential conditions if Britain's voluntary system was to be preserved and developed for the mutual benefit of all who worked in industry and of the nation as a whole.

The Secretary of State outlined five functions of the Government's proposed Industrial Relations Bill. It would establish the basic rights of trade unions and employers, together with matching obligations. It would lay down rules about what are fair and unfair actions in the conduct of industrial relations. It would protect the fundamental liberties of individual employees in an industrial society increasingly dominated on both sides by powerful organisations and pressure groups. It would set new guidelines and standards for good industrial relations practice by managements and trade unions with particular attention to the needs for increasing the status of the individual. It would provide new machinery for protecting the public interest in situations which threaten a national emergency.

The Government knew that the Bill could not change long-established methods and patterns of behaviour overnight but it believed that a proper framework of law would have a progressive influence in creating an environment in which management, unions and employees could conduct their relationships with greater confidence and mutual benefit.

Industrial Health and Safety

CHIEF FACTORY INSPECTOR'S REPORT

An increase of 3.2 per cent in the number of reported industrial accidents is recorded in the annual report[1] for 1969 of the Chief Inspector of Factories published on 7th October. The rising trend in reported accidents, which began in 1963, accelerated slightly and the total for 1969 was nearly 70 per cent above that for 1962. The report points out, however, that the vast majority of accidents do not become legally notifiable, while those which are notifiable include a large proportion of relatively minor injuries which may or may not be reported depending on the circumstances. The report emphasises that during the same period (1962 to 1969) the numbers of fatal accidents fluctuated within relatively narrow limits.

The report contains special articles on industrial hazards, noise in industry, and the work of the civil engineering and medical branches of the inspectorate, as

[1] *Annual Report of HM Chief Inspector of Factories, 1969*, Cmnd. 4461, HMSO, 13s

well as a detailed statistical analysis of a 5 per cent random sample of all accidents reported during the year.

Injuries and Deaths

During 1969 a total of 322,390 accidents were reported, compared with 312,430 during 1968. Of the 1969 total, 266,857 occurred in manufacturing industry, 44,570 in construction and 10,963 in docks and inland warehouses The total number of fatal accidents was 649, compared with 625 during the previous year, the increase being accounted for by a rise from 238 to 265 in the construction industry where nearly half the deaths resulted from falls of persons (124). The main causes of death in factories were falls of persons (71), fires and explosions (51), falls and other movement of objects (47) and accidents involving non-rail transport (46). In 1969 the incidence rate of fatal accidents (that is fatal accidents per 100,000 employees) was 23 8 in the construction industry and only 4·5 for manufacturing industry. However, the report points out that the average rate for the broad category of manufacturing industry conceals major differences in the rates of different industries Over the period 1959 to 1969 the average annual rate exceeded 15 in coke ovens and manufactured fuel (28·7), cement (20 6), iron and steel (18 4) and shipbuilding (16 5) The report shows that over the period 1960 to 1969 nearly 6 per cent of all reported fatalities were accounted for by electrocution, though deaths from this cause have been declining in recent years

During 1969 a total of 409 cases of notifiable industrial poisoning or disease was reported, one more than in 1968 Seven of the cases were fatal and the deaths were due to ulceration caused by mineral oil (5), aniline poisoning (1) and anthrax (1).

Noise in Industry

The report says that noise can be regarded as a special form of environmental pollution and one which is capable of causing damage to health. Since the publication of the Wilson report on noise[1] in 1963 the inspectorate has been giving increasing consideration to the subject and a small group of specialist inspectors in the engineering branch has been studying it in collaboration with academic and other experts. The report suggests a number of ways in which industrial noise can be reduced· encouraging industry to employ quieter processes, sound-proofing existing works and designing better laid-out new ones improving the design of machines, personal protection by the use of ear-defenders, and limiting the duration of exposure to noise. The inspectorate has issued to industry one *Technical Data Note* on noise reduction, and others are planned.

Legislation and Administration

The inspectorate worked closely with a number of national and international organisations concerned with improving standards of safety, health and welfare in industry, and in particular was involved in work on projected legislation in Britain. Work was done on the preparation of a short Bill to set up an Employment Medical Advisory Service (which among other things would take over the responsibilities and staff of the medical branch of the inspectorate). A report on the restrictions on the hours of work of women and young persons in factories was published; further consultations have been taking place with a view to preparing new legislation on the matter.

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[1] *Noise—Final Report* (Committee on the Problems of Noise under the Chairmanship of Sir Alan Wilson), HMSO, 1963, 13s.

By the end of the year the number of inspectors in the service had increased from 576 to 618. In addition 53 technicians, illustrators and wardens were employed. With the increasing size and expanding responsibilities of the inspectorate, training has become more important and has been extended in both content and the number of courses run.

OFFICES, SHOPS AND RAILWAY PREMISES

The report by the Department of Employment and Productivity (DEP) on the operation of the Offices, Shops and Railway Premises Act 1963 for the calendar year 1969, published on 12th October (HMSO, 3s 6d), points to generally rising standards of working conditions for 'white collar' workers in Britain. The Act, which came into operation in August 1964, makes provision for the safety, health and welfare of the 8 million persons employed in offices, shops and certain railway premises.

Enforcement

Enforcement of the Act varies according to the category of premises. The general provisions, which relate to matters such as cleanliness, overcrowding, temperature, ventilation, lighting, sanitary facilities and safety of machinery, are enforced in most cases by the local authorities, and the fire provisions by fire authorities. The factories inspectorate, however, is responsible for enforcing the general provisions (and in certain cases some or all fire provisions) in local authority and railway premises and in factory offices, the mines and quarries inspectorate is similarly responsible for premises at mines and quarries. There is close co-operation between the different types of authority, and while each is free to act in accordance with its own interpretation of the statutory provisions, uniformity is fostered by the central advisor inspectorate, a part of the factories inspectorate, which gives advice and guidance to local authorities on general and specific problems in their areas.

At the end of 1969, 5,266 local authority inspectors held appointments under the Act and 287 ancillary staff were employed for most of their time on duties connected with enforcement of the general provisions. Many authorities found that the need for legal proceedings seldom arose as most occupiers were prepared to meet their statutory obligations. The generally adopted policy of advice and persuasion, coupled with oral and written warnings and follow-up visits, usually led to compliance. Prosecution action was taken against only 175 persons or companies compared with 209 persons or companies in 1968.

The total number of registered premises at the end of 1969 was 753,778, an increase of 3,336 on the figure at the end of 1968. The total was made up of 339,581 offices, 321,519 retail shops, 26,345 wholesale shops and warehouses, 56,377 catering establishments, 3,909 fuel storage depots and 6,047 railway establishments. During 1969, 269,774 registered premises (36 per cent of the total) received a general inspection, compared with 257,682 during 1968, and a total of 671,155 visits of all kinds were made.

Progress in 1969

Contraventions found in 1969 related less to the provision of basic amenities than to their cleanliness, maintenance and repair. The majority of infringements were of a minor nature and easily remedied. In general, inspection showed that higher standards of working conditions were becoming more widely spread throughout the country. Standards in government offices were generally satisfactory. Local authority premises were generally good although in the older

municipal offices improvements were necessary. The standard of offices in factories was usually good and in many new factories was excellent. A slow but steady improvement was being made in railway and fuel storage premises, while registered premises at mines and quarries reached good standards with the exception of those at some smaller mines and quarries

Standards of cleanliness in premises inspected during 1969 were found to be generally reasonable although decorative standards of passages, staircases and store-rooms frequently needed improvement Inadequate heating was the most common complaint made by employees and some premises had problems in maintaining the statutory minimum temperature of 16° Centigrade (60·8° Fahrenheit). General standards of lighting continued to improve, in February 1969 the DEP published a booklet to give guidance on the practical interpretation of the provisions relating to this topic Few cases were reported of premises without sanitary conveniences or wash-basins but standards of cleanliness and maintenance were sometimes unsatisfactory On 28th May 1969 new regulations concerning hoists and lifts came into operation and occupiers were warned of the new requirements. Steady progress was maintained in the inspection of premises for fire prevention and the certification of means of escape, and in April 1969 the DEP issued an advisory booklet on these subjects.

Accidents

During 1969, 19,018 accidents, 20 of which were fatal, were notified to enforcing authorities, marginally less than the 1968 total of 19,075, which included 39 fatalities. Many accidents were due to carelessness or disregard of safety instructions while others were of a type that no reasonably practical precautions could have prevented Of the total number of accidents, 6,900 occurred in retail shops and 5,900 in offices Falls of persons accounted for 7,032 cases and handling goods for 4 370 cases

Research on Environmental Pollution

WORK OF NATURAL ENVIRONMENT RESEARCH COUNCIL

The annual report for 1969-70[1] of the Natural Environment Research Council (NERC) begins with a brief account of the council's policy for support of pollution research and of progress during the year under review The report states that 'the growing public apprehension of the impact that modern society is having on the natural environment has been sharply underlined during the year by the problem of pollution. This is a matter with which the council in the conduct of its scientific programmes is directly involved. The chairman of council Professor V. C. Wynne-Edwards, and a member of the Nature Conservancy, Sir Frank Fraser Darling, have been appointed as members of the Royal Commission on Environmental Pollution' [see 27.3 70 p. 328].

Responsibilities of NERC

The responsibility of NERC for research into pollution, the report says, is essentially that of obtaining a basic understanding of the effects of pollutants of all kinds on the natural environment and its wildlife. Research with this objective is supported by the council in several of its research institutes and at many

[1] Published by HMSO, 13s

universities. Examples include the work of the toxic chemicals section of the Nature Conservancy's Monks Wood experimental station on the effects of pesticides on wildlife; research by the Marine Biological Association into changes in coastal marine fauna and flora caused by oil and dispersing agents; and university studies on the effect of effluents and industrial wastes on the biological regimes of rivers.

Long-term Programme

Following a thorough scrutiny of the support for pollution research and in response to requests from the Government, the council is planning a more comprehensive long-term programme of pollution research with special emphasis on the following:

Systematic ecological surveys to detect significant changes in the natural systems and to identify in them the specific effects of pollution against the background of natural changes.

Experimental studies to determine the effects of specific pollutants on the physiology, biochemistry and behaviour of organisms, with particular reference to the chronic and sublethal effects of long-lasting and widespread pollutants.

Research on the persistence and degradation of pollutants in the physical environment and in the tissues of organisms, and on their transmission and dispersion.

These programmes are being implemented in co-operation with other research organisations that are concerned with one or other aspect of pollution problems.

Incidents and Emergencies

The council's statutory responsibilities for nature reserves, and its more general responsibility for surveillance and advice, also require it to be involved (alone or in conjunction with other organisations) in certain kinds of incidents and emergencies in which pollution is a known or suspected cause. Hazards to wildlife generally, and in particular to birds, seals and other species not explicitly covered by the statutory functions of other organisations, are in this category. Within the council, the Nature Conservancy, with its countrywide Conservation Branch and its contacts with the voluntary organisations concerned with birds and other wildlife, plays a special part in these functions.

The report records two incidents of this kind which occurred during the year. The more limited incident of the two concerned the deaths of seal pups on the north coast of Cornwall. This was investigated by the council's Seals Research Unit, which found no evidence to suggest that the deaths were due to other than natural causes. The unit was able to make comparative observations of seal colonies from another locality where no abnormal numbers of deaths had occurred. A report of the unit's findings is to be published.

The major incident involved the stranding of large numbers of dead sea-birds, mainly guillemots, over a wide area of coast from the Irish Sea to Ayrshire in the autumn of 1969. Council headquarters called together scientists from many organisations, including voluntary bird organisations, NERC's own establishment, departmental fisheries laboratories and universities, and enlisted their help in assessing the evidence and undertaking further investigations as a matter of urgency. The provisional conclusion was that, although gales and natural stress certainly contributed, no single factor could be identified as a sufficient explanation for the incident as a whole. The unusually high concentration of polychlorinated biphenyl (PCB) residues in some of the specimens of dead birds is being further investigated, and a full report is in preparation.

Coastal Marine Research

Research in the coastal marine environment includes assessing the consequences of extracting gravel from the sea bed and pollution problems arising from industrial operations on coasts and in estuaries. Following the establishment of the Institute of Coastal Oceanography and Tides and the Unit of Coastal Sedimentation, the council is now well placed to develop research programmes into the physical aspects of these problems.

New Institute for Marine Environmental Research

Research into the biological aspects of pollution in coastal waters should be helped, the report states, by the announcement of the establishment as from 1st September 1970 of an Institute for Marine Environmental Research at Plymouth, on a site to be shared with the Marine Biological Association of the United Kingdom. The new institute will have as its prime objective the advancement of knowledge of the marine environment and its biological resources as an integrated system. This approach is fundamental to gaining a better understanding of the biological basis of the productivity of the oceans and how this productivity is influenced both by natural changes, such as long-term climatic trends, and by the activities of man including the effects of pollution. The report says that study groups for some of the major estuaries have been proposed, comprising local universities working in co-operation with NERC's research establishments and other laboratories to carry out a multi-disciplinary research programme into the physical and biological problems and changes in the estuaries and adjacent coastal waters.

Nature Conservation

The Nature Conservancy, which celebrated its twenty-first anniversary in March 1970, has played a leading role in the preparations for the European Conservation Year, including a major contribution to the deliberations at an international level and in particular at the Council of Europe [see 24.4 70 pp 434-5].

Fuel and Power

ANNUAL REPORTS OF NATIONALISED INDUSTRIES

The annual reports of the main nationalised coal, electricity and gas undertakings—the National Coal Board (NCB), the Electricity Council, the Central Electricity Generating Board (CEGB) and the Gas Council—have been published recently.[1] The following accounts of developments in the coal, electricity and gas industries are summarised from these reports.

Coal

In 1969-70 the NCB made an operating profit of £8·8 million, but after payment of interest to the Government there was a deficit of £26·3 million Gross capital expenditure totalled £59 4 million, of which £9·2 million was spent on major colliery projects and £20·9 million on coalface machinery and related

[1] *National Coal Board Report and Accounts 1969-70*, Vol. 1 Report, HMSO, 8s 6d, Vol 2 Accounts and Statistical Tables, HMSO, 19s; *The Electricity Council Annual Report and Accounts 1969-70*, HMSO, 27s; *Central Electricity Generating Board Annual Report and Accounts 1969-70*, HMSO, 13s; *The Gas Council Annual Report and Accounts 1969-70*, HMSO, 20s.

equipment. Expenditure on research and development accounted for £4 million of a total £88·8 million non-operational expenditure.

Overall productivity in 1969-70 averaged 43·4 cwt a manshift, an improvement of 2·1 per cent over 1968-69. A 9 per cent improvement was achieved in 1968-69. Five NCB areas achieved an output of between 50 and 60 cwt a manshift. Coalface productivity rose from 132 cwt a manshift in 1968-69 to 137 7 cwt a manshift in 1969-70. This increase reflects improved levels of performance of coalface machinery. In 1969-70 power loading machines obtained 92 3 per cent of the total deep-mined output, and 78 6 per cent of the major longwall mechanised faces were equipped with powered supports (compared with 91 8 and 74 per cent in 1968-69)

Nineteen collieries were closed during 1969-70 (compared with 55 in 1968-69) bringing the total number of collieries at year end to 299. NCB collieries produced 147 4 million tons of coal in 1969-70, a fall of 13·2 million tons from the 1968-69 total. Deep-mined coal accounted for 139 8 million tons of the total, 6 6 million tons were from opencast workings and 1 million tons from licensed mines and other sources of coal. The fall in output is attributable to the heavy closure programme of 1968-69, the unofficial strike of October 1969 and the slower rate of increase in productivity in 1969-70. Total inland consumption fell by just over 6 million tons from the 1968-69 total to 157 9 million tons, while exports rose to 3 5 million tons. Undistributed stocks fell to 14 4 million tons at the end of the year as a result of the excess of sales over production. This compares with a peak of 29 8 million tons in July 1968. As a result of the lower rate of increase of productivity in 1969-70, the expenditure increases resulting from a 7 per cent wage agreement (effective from November 1969) and other cost increases, the NCB was obliged to introduce selective price increases in October 1969 and a general price increase in January 1970.

Technical Development

The board has developed a new planning technique known as 'Geosimplan', which has been designed to help in the determination of the best mix of high-risk/high-yield and low-risk low-yield prospects in assessing alternative capital investment proposals.

By September 1969 the activities of the Mining Research Establishment at Isleworth and the Central Engineering Establishment at Bretby had been merged into the Mining Research and Development Establishment at Bretby.

Research and development on the fluidised-bed combustion technique were intensified during the year and experiments on a large scale have shown that the system is technically feasible and that the economic advantages could be considerable A major advantage of this technique is the possibilities it offers for the prevention of atmospheric pollution by oxides of sulphur and nitrogen. In June 1969 an agreement was made between the NCB and the National Air Pollution Control Administration of the United States which provided for co-operation on research and development on fluidised-bed combustion.

There are now 66 coal-fired district heating schemes in Britain. One planned for Nottingham will be the largest such scheme in Europe, with boiler plant capable of supplying heat to a town of 40,000 inhabitants. This project is the work of Associated Heat Services Ltd., one of the NCB's associated companies.

Electricity

Operating profit for the year ended 31st March 1970 was £306·1 million compared with £323 million in 1968-69. After deduction of interest, the balance of revenue was £64·5 million, compared with the record £100 6 million achieved in 1968-69. An increase in income, derived mainly from higher sales and the benefits of improved efficiency and productivity, was offset by cost increases,

particularly fuel costs. Net return on average net assets employed was 6·4 per cent in 1969-70. A new net return objective of 7 per cent was set in October 1969 for the period 1969-70 to 1973-74.

Sales and Production

Total sales of electricity increased by 5 per cent during the year compared with 6·5 per cent in 1968-69 or by 5 7 per cent compared with 6 5 per cent allowing for weather and other factors.

Of the 168,230 million units sold, 42·1 per cent was for industrial use and 37·5 per cent for domestic use. Both sectors increased their consumption over the previous year. The figures include off-peak sales, which increased by 22·1 per cent over the previous year. During the last five years sales of off-peak electricity have increased at an average annual rate of 27 8 per cent The power stations of the CEGB supplied 180,718 million kWh of electricity during 1969-70, an increase of 4·2 per cent over the previous year Of the total, 89 per cent was generated in coal and oil-fired stations and 10·4 per cent in nuclear stations The average thermal efficiency of generation in CEGB coal and oil-fired stations during the year was 28·3 per cent, a slight increase on 1968-69. The highest thermal efficiency achieved in any one station was 34·89 per cent at Ferrybridge 'C'.

New generating plant with an installed capacity of 2,927 MW was installed by the CEGB during the year with an output capacity of 2,779 MW After allowing for re-rating of some existing plant, for interim ratings given to some specific items of plant, and for plant shut-down, the total output capacity at the year's end was 46,857 MW sent out compared with 44,673 MW at 31st March 1969. Total installed capacity at 31st March 1970 was 50,065 MW, of which 44,252 was in conventional steam stations and 3,654 in nuclear stations During the year the first of four 500 MW generating units at Fawley (Hampshire) was commissioned. When completed, this will be the largest oil-fired station in Europe. The fourth 500 MW unit at Eggborough (Yorkshire) was commissioned during the year and there are now three fully commissioned 2,000 MW stations—Eggborough, Ferrybridge 'C' (Yorkshire) and West Burton 'A' (Nottinghamshire). The programme of installation of 500 MW units will be completed early in the 1970s, after which 660 MW units will become standard. Of the 47 500 MW units ordered, 24 have now been synchronised Commissioning tests have begun at Wylfa nuclear power station (Anglesey) the last of the magnox stations.

A 660 MW unit at the Hartlepool nuclear power station was approved by the CEGB during the year, for commissioning in 1974 In October 1969 the Government consented to the building of two nuclear stations each of about 2,500 MW at Heysham (Lancashire) and Sizewell (Suffolk) and one 3,300 MW oil-fired station at the Isle of Grain in Kent. During the year the CEGB submitted applications for nuclear power stations at Connah's Quay (Flintshire) Stourport (Worcestershire), Portskewett (Monmouthshire) and Oldbury (Gloucestershire). At the end of the year the CEGB had generating sets with a total output capacity of 18,910 MW under construction. Eleven new coal and oil-fired stations with an output capacity of 13,890 MW and four new nuclear stations with an output capacity of 5,020 MW were commissioning or under construction.

The rising price of coal and the shortage of cheaper coals led the CEGB to request the Minister of Technology to permit oil-burning at four stations and the conversion of boilers at another to gas/coal-firing. Consent was subsequently given for oil-burning at three stations, Brunswick Wharf, Littlebrook 'B' and Portishead 'B' and for the conversion of five boilers at Hams Hall 'C' to gas/coal-firing.

Financial responsibility for almost all 132 kV lines and cables operating at 132 kV, 66 kV and below was transferred from the CEGB to the area boards

from 1st April 1969. As agents for the area boards, the CEGB continues to be responsible for operation and maintenance. During 1969-70 the transmission network of 275 kV and 400 kV owned by the CEGB was increased by 768 circuit miles, giving a total in commission at 31st March of 8,454 circuit miles.

Research

Expenditure on research in 1969-70 amounted to £11.1 million. Of this total, about £130,000 represented contracts placed at universities and colleges of technology.

Following welding problems on boiler drums which have occurred at certain stations, considerable research into welding techniques has been conducted by the CEGB. Developments at the CEGB's Marchwood Engineering Laboratories included an automatic submerged arc welding machine and an ultrasonic wheel probe which enables effective ultrasonic inspections to be made even at metal temperatures in the region of 150-160°C.

The successful development of live line working techniques was demonstrated in 1969. They include 'bare hand' working at 400 kV and 'hot stick' working at 132 kV. In live line working a conducting suit worn by the linesman is connected to the high voltage line but not to earth, the worker being protected by the Faraday's cage principle.

The CEGB opened a Marine Biological Laboratory at Fawley in October 1969. The main research work is concerned with studying the effects of warm effluents on the biological, chemical and physical aspects of the marine environment.

Gas

In the year 1969-70 the gas industry earned a net surplus of £13.7 million compared with the record £17.5 million in 1968-69. A record total of 5,264 million therms of gas was sold during the year, an increase of 12·2 per cent over the previous year.

Supplies and Distribution

The aggregate quantity of gas available in 1969-70 was 5,744.2 million therms, an increase of 11.2 per cent over 1968-69. The 1969-70 total includes 737 million therms of natural gas supplied direct to customers, compared with 160 million therms in 1968-69. The table shows the sources of the gas available and demonstrates the decreasing importance of coal gas and oil gas and the continued increase in importance of natural gas.

During the year natural gas accounted for 47 per cent of gas available but during the last quarter it accounted for more than 50 per cent for the first time. The total quantity of coal used for all purposes was 5.9 million tons in 1969-70 (9.3 million tons in 1968-69) and the total quantity of oil was 4.6 million tons (5.9 million tons in 1968-69).

The Gas Council continued to participate, through its subsidiary Gas Council (Exploration) Ltd., in off-shore seismic surveys, and programmes were completed in the North Sea, the Irish Sea and the Western approaches during the year. By the end of the year 36 wells had been drilled by the Gas Council-Amoco group in the Leman Bank field from three permanent drilling platforms. Two production platforms were completed and the Gas Council-Amoco group, the Arpet group and Mobil formed the East Leman Unit to provide joint development and production facilities in their sections of the Leman Bank field. In January 1970 the Gas Council-Amoco group applied for additional North Sea production licences, while Hydrocarbons Great Britain Ltd., a subsidiary of the Gas Council, applied for an Irish Sea licence. These licences were granted subsequently [see 3.7.70 pp. 629-31].

	1968-69 percentage of total gas	1969-70 percentage of total gas
Gas made .		
Coal gas	12.9	7.4
Oil gas	41.3	30.4
Water gas and others.	2.8	0.8
Gas bought and reformed ·		
Refinery gas	5.5	4.0
Liquefied petroleum gas .	6.7	4.7
Coke-oven gas .	6.9	5.8
Other (including natural gas used in gas manufacture)	20.8	34.1
Natural gas supplied direct .	3.1	12.8

By the end of the year almost half of the planned capacity of the Bacton (Norfolk) terminal was available. Outline planning permission had been granted for a third terminal to be sited at Theddlethorpe St Helen (Lincolnshire). This terminal would take gas from the Conoco/NCB group's Viking field In January 1970 a joint pipeline agreement was concluded between the Gas Council/Amoco group and the Shell/Esso group This provides for the construction and operation of almost 100 miles of undersea pipeline between the Leman Bank and Indefatigable fields and the Bacton terminal

Further contracts signed during the year were with the remaining suppliers from the Leman Bank field—the Arpet group and Mobil North Sea Ltd and for gas from the on-shore field at Lockton (Yorkshire) with Home Oil of Canada Ltd. Supplies, which are due to begin at the end of 1970, are expected to build up to 75 million cubic feet per day Lockton is the largest on-shore discovery of natural gas yet made in Britain, and Home Oil and Gas Council (Exploration) Ltd. each have a 50 per cent interest. These two companies, together with BP Petroleum Development Ltd, conducted further on-shore seismic surveys during the year.

Supplies of natural gas are now received from the Leman Bank field, the West Sole field (BP) and the Hewett field (Arpet and Phillips). During February 1970 a record level of 1,454 million cubic feet per day was supplied by the council in one day. Direct supplies to Imperial Chemical Industries are now made at Immingham, at Severnside and at Hillhouse.

A feature of industrial markets during the year was the development of supplies of gas on an interruptible basis, the using in off-peak periods of the spare capacity needed to meet peak demand.

The conversion of domestic appliances to burn natural gas proceeded and the appliances of over a million customers were converted in 1969-70 to make a total of over 1½ million since 1966. The conversion rate more than doubled over the year, weekly totals rising from 12,500 to 29,000 domestic customers.

The national transmission system was extended by 493 miles during the year, giving a total length of 1,565 miles. The system now extends to all 12 area boards, the South Wales line being commissioned as far as Llandarcy in May 1970 and a pipeline to Kelso (Scotland) being commissioned in the same month. The construction of storage facilities has continued at Canvey Island but the

emphasis now rests on liquefaction and storage plant elsewhere, to be used for North Sea gas. Work has begun on such a plant at Glenmavis (Scotland), while commissioning of a smaller storage plant at Ambergate (Derbyshire) has begun. Other plants are planned for South Wales and at Partington (Lancashire). The Gas Council is continuing its investigations into the possibility of storing gas in natural and artificial cavities and commissioned a number of feasibility studies. The total quantity of liquefied natural gas imported from Algeria during the year was 728,000 tons (378 million therms).

SOCIAL AND CULTURAL AFFAIRS

Race Relations in Industry

MINISTER'S SPEECH

Speaking at a conference in Manchester on 30th September on race relations in industry, Mr. Paul Bryan, Minister of State at the Department of Employment and Productivity (DEP), said that the Government believed that a positive effort must be made to ensure that people of all races were given the opportunity to use their aptitudes and abilities This was not only in the country's interests it was a prerequisite for the multi-racial society which Britain was now building In the field of employment this meant that the DEP was working for a state of affairs where discrimination was reduced to a minimum and everyone whatever his race or colour, was given equal opportunity to work to the full extent of his capacity and skill. This concept of equal opportunity had become the centre of the department's race relations policy

Measures to Promote Equal Opportunity

Mr. Bryan continued by outlining the measures already being taken by the DEP. The staff in the adult and youth employment services were instructed and trained to do all they could to widen the employment opportunities available to coloured people by advising individuals on the most suitable employment and by getting employers to treat workers entirely on their merits In certain government training centres nearly 40 per cent of the trainees were immigrants who did well both in training and in subsequent employment Since language was a difficult hurdle for many immigrants the department was encouraging the extension of training courses with grants from the Industrial Training Boards [which are responsible for training in particular industries] and with the co-operation of local education authorities. Many employers organised courses on factory premises which were often particularly successful But immigrants did not always take full advantage of these and local community councils could help in this respect. A developing service of the department was the availability of race relations employment advisers (see p 919), the first of whom was appointed three years ago. Because of demand the service had now been extended to the whole country.

Trade unions could be and had been extremely helpful, continued Mr Bryan, especially where officials and shop stewards were equipped to deal with immigrants' problems and where immigrants really understood the functions and objects of trade unions. Officials and shop stewards should have one of the biggest parts of all to play in making a company's policy of non-discrimination work, for it was they who had to deal with many of the misunderstandings and fears among their members before they necessarily became evident to management.

In conclusion, Mr. Bryan said that the policy of non-discrimination and equal opportunity should be clearly understood and vigorously followed Fortunately this argument which was unanswerable in economic terms was, he believed, unanswerable morally as well.

RACE RELATIONS EMPLOYMENT ADVISERS

The DEP has announced the strengthening of its advisory service on race relations with the appointment of seven more advisers. There is now an adviser in each of the department's seven English regions and in Scotland and Wales, as well as two at its headquarters in London. The advisers work in collaboration with the department's manpower advisory and employment services and with the Youth Employment Service. They help employers and trade unions, on request, to smooth any difficulties which may arise among employees of different races. In conjunction with employers' associations, trade unions, branches of the Institute of Personnel Management, the British Institute of Management, Chambers of Commerce, the Community Relations Commission and the Race Relations Board, they seek to develop the DEP's policy of promoting equal opportunity in employment and to secure the best use of immigrants' abilities. Advisers have dealt successfully with cases of discrimination, advised on English language training, assisted in the appraisal of industrial relations and personnel practices in individual firms and helped generally in the development of sound race relations policies

Health and Social Security

DEPARTMENT'S ANNUAL REPORT

The annual report of the Department of Health and Social Security for 1969 which covers the first full year's work of the combined department was published on 8th October (Cmnd 4462) As responsibility for health and welfare services in Wales passed to the Secretary of State for Wales in April 1969 the report refers to England only in this field The section of the report dealing with social security refers to the whole of Great Britain (England, Wales and Scotland).

Health and Welfare Services

Expenditure Expenditure on the health and welfare services in England for the 1968-69 financial year was £1,507 million, an increase of £102 million over the previous year About three-quarters of this increase was due to price rises and higher salaries and wages. Expenditure for 1969-70 is estimated at £1,664 million

Executive Council Services

The Family Doctor. During the year, the number of principals providing full general medical services in England increased by 169 to 18,901 The average number of patients per doctor was almost unchanged at 2,495 and for the first time since 1958 the number of doctors entering general practice kept pace with the increase in the number of patients Under the scheme to give doctors grants for improving surgery premises 250 projects were approved in 1969 involving grants totalling £114,866. In 1968-69 the General Practice Finance Corporation [see 28.8.70 p. 777], set up to help doctors in the financing of practice premises, approved 359 loans totalling £2,118,000

Pharmaceutical Services. The number of prescriptions dispensed in England during 1969 was about 246 million at a total cost of £151 million. In the first half of 1969, the number dispensed (124 million) was 7 per cent lower than in the corresponding period in 1968, during which prescription charges were

introduced, while in the second half of 1969 the number was 5 per cent above that of the second half of 1968. The average net cost of each prescription for the second half of 1969 was 9s 4d. Of the 246 million prescriptions dispensed during the year, over half (127 million) were dispensed without charge to the patient.

General Dental Services. There was again an increase in the number of dentists in the service. By the end of September the total was 10,250 in England, an increase of 68. A new scale of fees was introduced during the year designed to implement the recommendation of the Review Body on Doctors and Dentists' Remuneration [see 28.2.69 p. 236] that the target net income for general dental practioners should be increased to an annual rate of £3,590.

General Ophthalmic Services The number of sight tests rose by 1 4 per cent over 1968. The proportion of tests resulting in prescriptions for glasses was again 85 per cent. The number of spectacles provided was 4,838,000

Local Authority Services

Expenditure. The total expenditure on the local health and welfare services in England rose from £204 million in 1967-68 to £223 million in 1968-69 and to an estimated £246 million in 1969-70 Loan sanction recommended for local authority health and welfare capital investment including sites, purchase of equipment and vehicles in 1969-70 totalled £26 million compared with £25 9 million in 1968-69.

Urban Programme. Under the Urban Programme [see 28 2.69 p 232], the department approved about £1¼ million expenditure, £780,000 of which was for day nurseries providing 844 additional places and 110 replacements For the first time, assistance was given to playgroups for children under five, £130,000 being approved for this purpose, including grants to voluntary playgroups A number of projects to help the elderly, the disabled, the homeless and mentally disordered were also given financial help

Health Centres. During the year 50 new health centres were opened, bringing the number in operation to 131. At the end of the year 79 were being built and a further 74 had been approved. General medical services are provided at all but four of the health centres.

Family Planning. By the end of the year all but one of the local authorities in England were providing a family planning service and the one authority had agreed in principle to the provision of a service in 1970.

Mental Health Services. The expansion of local health authority services for the mentally disordered and the improvement of facilities through the replacement of unsatisfactory buildings by purpose-built premises continued in 1969 But waiting lists for all types of facilities increased for residential accommodation from 1,485 to 1,742. Local authorities plan to accelerate the rate of expansion of services generally and of residential accommodation in particular over the next few years.

Discussions with the Department of Education and Science about arrangements for the transfer of responsibility for the education of mentally handicapped children to the education service took place and it is expected that this transfer will take effect from 1st April 1971.

Residential Services. Local authorities in England opened 131 homes for the elderly, providing accommodation for 6,095 residents. Allowing for the closure of obsolete homes this made an increase of 15 homes and 946 places over 1968 At the end of December 1969, local authorities were providing places for 107,977 people, of whom 97,475 were over 65 years old.

The total whole-time staff of residential homes rose slightly to 23,656 in 1969 with increases also in the number of part-time staff. The ratio of staff to residents remained virtually unchanged at 1:2·7.

Meals Services. The meals services continued to expand during the year, about 19 7 million meals being served at home or in clubs and centres in 1969 compared with about 17 6 million in 1968. Of the 13 2 million served at home, 4 5 million were provided entirely or mainly under arrangements organised by local authorities and about 6 3 million by the Women's Royal Voluntary Service.

Hospital and Specialist Services

Patients The number of in-patients increased to 4 968,000 in England during 1969 and at the end of the year there were 532 000 patients waiting for admission to National Health Service hospitals The average duration of stay in most departments continued to decrease and the number of psychiatric and geriatric day patients, that is, patients attending hospital by day for a planned course of treatment, rose.

Hospital Building During 1968-69, £92 4 million was spent in England on hospital building Schemes to the value of £108 million were started in 1968-69 compared with £121 million in 1967-68 Thirteen large schemes, each over £1 million, had a combined value of £59 million

Research and development continued with increasing emphasis on standardisation and industrialisation It was decided to expand the future programme for producing standard departmental designs to cover almost all departments of a district general hospital Work started on the sites of the two district general hospitals at Bury St Edmunds and Frimley which have been planned as a concerted venture A start was made on converting the design used for these hospitals into metric dimensions for industrialised production and use elsewhere

Nursing Staff The total number of nursing staff in September 1969 was the highest ever recorded, comprising 176,646 full-time and 85,645 part-time, the number of part-time staff having increased by 9 per cent over the previous year Studies are being undertaken to ensure the best deployment of nursing staff *Hospital Advisory Service* The Hospital Advisory Service was set up during 1969 (see 15 8 69 p. 744]. Its two main functions are defined in the report as helping to improve the management of patient care in individual hospitals (excluding matters of clinical judgement) and in the hospital service as a whole by constructive criticism and by propagating good practices, and advising the Secretary of State for Social Services and the Secretary of State for Wales about conditions in hospitals ' Initially the service is concentrating on hospitals for the mentally handicapped, the mentally ill, the elderly and long-stay hospitals in general

Social Security

Benefits

Under the National Insurance Act 1969, which came into force in November 1969, pensions and a wide range of other benefits were increased At the same time improvements in war pensions and an increase in supplementary benefits took place. The standard rate of insurance benefit for a single person was increased from £4 10s to £5 a week (for a married couple from £7 6s to £8 2s) and the basic rate of pension for 100 per cent disablement from £7 12s to £8 8s a week. Corresponding increases were made in most other benefits, pensions and allowances. From November 1969 flat-rate and graduated national insurance contributions were increased to help meet the cost of higher insurance benefits.

On average the number of benefits and allowances being paid in any week was about 16½ million. At the end of 1969 the following pensions and allowances were in payment (with corresponding figures for 1968):

	1969	1968
War Pensions:		
Disablement	397,000	409,000
Widows and other dependants	142,000	148,000
Retirement pensions	7,130,000	6,973,000
Widows' benefits	593,000	600,000
Guardians' allowance	5,000	5,000
Industrial injuries:		
Disablement pensions	208,000	203,000
Widows' pensions	29,000	28,000
Supplementary benefits.		
Pensions	1,875,000	1,847,000
Allowances	813,000	790,000

Family allowances were being paid to over 4 million families containing about 11 million children. Payments of sickness and unemployment benefit fluctuated considerably throughout the year and claims totalled 11,411,000 and 3,098,000 respectively for the whole year

Supplementary Benefits

From November 1969 the basic rate for a single householder was increased by 5s to £4 16s and for a married couple by 8s to £7 17s Of the 2,688,000 people receiving supplementary benefit in November 1969, 1,875,000 were over retirement age and received supplementary pensions, 326,000 were sick and disabled and 177,000 were women with dependent children The report contains an appendix describing some of the welfare and rehabilitation work undertaken by the officers of the Supplementary Benefits Commission.

HEALTH SERVICES IN SCOTLAND

The report on health services in Scotland during 1969 was published in August (Cmnd. 4392). Unlike previous reports it no longer refers in detail to welfare services in Scotland, which in November 1969 were taken over by social work authorities. A report of these services will be published later by the Social Work Services Group of the Scottish Education Department. The report also contains the report of the Scottish Health Services Council which has, in recent years, been published separately. (The council advises the Secretary of State for Scotland on health matters.'

Finance

The total gross cost of the National Health Service in Scotland during the year ended 31st March 1969 was £184,721,000 compared with £177,197,000 in the previous year. Over 81 per cent of this was financed by central government, nearly 10 per cent from National Health Service contributions paid by employed people and 2·7 per cent from payments by patients.

Infant Mortality

The report points out that 1969 was the fiftieth anniversary of the establishment of the Scottish Board of Health and compares certain vital statistics for 1919 with those for 1969. Particularly striking is the drop in the death rate of babies under a year from 96·9 per thousand live births in 1919 to 21·1 in 1969. In a section on infants and young children the report draws attention to the continuing reduction in the number of home confinements. Of babies born in Scotland in 1969, 93 8 per cent were delivered in hospital

General Practice

There was a slight increase in the number of principals providing general medical services, and the average number of patients on each doctor's list decreased from 2,106 to 2,102 For the first time the majority of principals were in partnerships of three doctors or more

Health Centres

During the year three new health centres came into operation, bringing the total number to 14 At the end of the year eight more centres were under construction, plans had been approved for 19 more and 55 others were being considered

Cytology Screening

The number of women undergoing screening to detect possible cancer of the uterine cervix continued to increase steadily, rising from some 64,000 in 1964 to 164,000 in 1968

New Towns

GREATER PETERBOROUGH MASTER PLAN

A master plan envisaging a 15-year programme for the expansion of Peterborough at a cost of £330 million was published by the city's development corporation on 24th September.[1]

Background

Peterborough was the first large existing centre to be chosen for a major expansion under the new towns legislation Its designation aims to help to provide homes and work for people living in congested conditions in the London area, to absorb some of the natural increase in population occurring in south-east England, and to effect large and rapid improvements in the existing city structure and its facilities. Designated in July 1967 to cover an area of nearly 16,000 acres (6,475 hectares), the town's present population of 88,000 is to be increased to 188,000 by 1985.

The Peterborough Development Corporation was appointed in February 1968 to carry out the expansion in partnership with the Huntingdon and Peterborough County Council and the Peterborough City Council, and, in the same year a draft basic plan--drawn up by a consultant was published. Comments and questions were invited from interested people and organisations and, as a

[1] *Greater Peterborough Master Plan*, Peterborough Development Corporation, 70s

result of the concern felt about certain highway proposals, the authorities reviewed the plan. The outcome of the review was the publication of an interim policy report, setting out a revised road network and the proposed principles for the expansion, and inviting public comment. An exhibition was held to illustrate the draft plan and again suggestions from the public were welcomed All the comments received were taken fully into account (together with the findings of further studies made by the authorities) before the master plan was finally drawn up.

Townships

The development of Greater Peterborough (as the new city will be called) will be the first attempt, according to the plan, to create what Ebenezer Howard the original advocate of new towns, conceived at the end of the nineteenth century as their ultimate form—the social city, consisting of a cluster of separate townships or 'garden cities' in a green setting, each largely self-sufficient but all closely linked with one another and with a somewhat larger 'central city' the whole sustaining a centre of regional importance

In Peterborough each of four planned townships will have a character of its own, the differences largely arising from physical features and from the need for economy in capital investment. Nevertheless, the development corporation has not laid down formal principles for the internal structure of each township in advance of the layout design stage Each township, with a population 20,000 to 30,000, will have, in addition to a series of local centres for primary schools and everyday shopping, its own township centre with most of the shopping and service facilities that are normally found in the centre of a typical country town. Their location, within the structure of Greater Peterborough makes it possible for every house to be within easy reach of a bus stop serving the city centre and major employment centres

People and Homes

Greater Peterborough, in helping to ease London's housing problems is to provide homes and jobs for some 70,000 newcomers: in addition it must accommodate the natural increase (the excess of births over deaths) of both the newcomers and the people already living in the designated area The master plan estimates that the 1970 population of 88,400 will increase by some 100,000 over the next 15 years.

In order to house the increase in population, the plan provides for the number of homes in the designated area—at present 30,000 to be doubled by 1985. The development corporation is to be responsible for building 25,000 houses in the new townships, and expects to build about half of them itself for newcomers who want to rent their homes. The rest will be built for the most part by the private sector—including, the corporation hopes, not only speculative builders but also housing associations, co-ownership and self-build societies and individuals engaging their own architects and contractors. The rate at which new homes are to be built will rise rapidly from the start of construction this year to 2,300 a year by 1976. This rate of progress will be maintained until 1982, and then will decline to meet the normal level of demand as the expansion programme nears completion.

In addition to the building programme, it is considered essential that the existing houses—most of which have been built since 1918 —should be carefully conserved in view of the demand for homes which the expansion will create The Peterborough City Council is launching a programme of area improvement to be carried out over a 10 to 12 year period, which is designed to bring not only houses but the whole residential environment into line with today's standards.

Industry

Existing industrial areas will be extended and three new areas are to be developed to provide for the 51,700 jobs which must be created by 1985. The resulting dispersal of new manufacturing employment and of major expansions of existing concerns is intended to secure a more even distribution of industrial traffic and to minimise the need for long journeys to and from work. The siting and layout of the new employment areas will be designed to make them attractive for all kinds of workplaces, providing a good environment for factories, laboratories and offices alike

Transport

Greater Peterborough is located astride two main road and rail routes—the London to Scotland east-coast route, and the route from the midlands to the east-coast ports

In the designated area itself, road transport planning is being guided by three basic objectives: to ensure, within the expansion period, the quick and easy movement of people and goods between homes, workplaces and centres of social and commercial activity; to keep within acceptable limits the cost of building the road system—in terms of money, land, amenity and the number of buildings that have to be removed to make way for it; and to build safety into the system, particularly by diverting 'through' traffic well away from the city centre and by keeping industrial traffic out of the new townships.

It is estimated that by 1990 there will be about five times the number of cars in the designated area than there were in 1966, and a new system of primary, secondary and local roads is being designed to cope with the increase. The planned distribution of industry in different parts of the city aims to minimise peak-hour traffic congestion and to relieve the city centre of many of its present traffic problems The extent to which traffic can be removed altogether from parts of the city centre is being studied

There is a strong emphasis in the plan on the need for a good system of public transport to cater for people without cars and also to encourage car owners to choose public transport for journeys—especially to workplaces in the city centre—which would be likely to cause congestion if they were made by car The development corporation believes that a satisfactory bus service can meet this need and efforts are to be made to accustom newcomers to the city to using the bus service for journeys to and from the city centre. Buses are to be given priority at road intersections in the centre at peak hours, or exclusive access to the inmost part of the central area

In the interests of safety and to relieve traffic congestion still further, a separate system of footpaths and cycle tracks is to be provided (wherever existing development allows), leading directly from homes to schools, local centres, play areas and parks.

Social Services and Utilities

Full medical and educational facilities are planned for the new city. Their distribution, according to the plan, is to be closely related to the size of the community on which they must draw in order to be economically run. Primary schools and community halls are to be sited in the local centres so as to be within easy reach of every home; secondary schools, medical and welfare services (as well as shops and associated trades) serving a greater number of people are to be in or near township centres; and in the city centre or at specially selected central locations will be such major facilities as the further education centre.

Unlike new towns designated in areas with very small numbers of inhabitants, Greater Peterborough has the advantage of established drainage,

refuse disposal, water supply, gas, electricity, telephone and postal services which can be readily extended or adapted to meet the initial needs of the expansion programme. New services are to be provided to meet the needs of the increasing population, and in Bretton (one of the townships) the largest district heating scheme yet attempted in Britain is being installed.

Leisure and the Environment

Facilities for leisure-time activities of all kinds already exist in Peterborough but expansion gives an opportunity, the corporation says, not only to provide for newcomers but also to broaden the range and raise the standards of provisions for the existing population. Plans already exist for a new swimming pool and an arts theatre; there are proposals for a new central library, concert hall and additional sports centres, and the city has been designated as a regional sports centre.

The planning authorities believe that the concept of a park along the valley of the river Nene (which runs through the centre of the designated area) is of fundamental importance to the city's expansion. The general concept is that the park should stretch right across the designated area, providing a wide variety of outdoor activities, ranging from informal, dispersed recreation to organised sports and team games. An essential complement to the park is the use of woodland to enclose the city as a whole and each of its neighbourhood employment areas and township open spaces; a programme is outlined in the plan for the protection and renewal of existing trees and woods, and for the rearing and planting of new trees and shrubs.

Villages within the designated area are being protected as conservation areas and the many sites of archaeological interest have been surveyed and are being taken into account as development proceeds.

The City Centre

The renewal and redevelopment of the city centre—one of the main purposes of the designation as a new town—is to be shown in a detailed plan in 1971 and will include proposals for maintaining the character of the cathedral precincts which has been set aside as a conservation area.

External Affairs and Defence

Defence Co-operation. The Italian Government has accepted an invitation by Britain and the Federal Republic of Germany to collaborate in the joint development and production of a towed 155 mm gun and ammunition. The three countries have signed a memorandum of understanding to this effect: the original memorandum between Britain and the Federal Republic was signed two years ago.	Press release Ministry of Defence 13.10.70

Economic and Scientific Affairs

Turkey. Exchange of Notes between Britain and Turkey concerning a development loan. U.K./Turkey (Bosporus Bridge) loan agreement 1970.	Cmnd. 4472. HMSO, 2s 6d
Colonial Development and Welfare Act. Final return of schemes made and of loans approved under the Colonial Development and Welfare Acts for the year to 31st March 1970.	HMSO, 4s
Royal Mint. Hundredth annual report of the Deputy Master and Comptroller for the year 1969.	HMSO, 13s
New Earnings Survey 1968.	HMSO, 40s
Shipbuilding Industry Training Board. Report and statement of accounts for the year ended 31st March 1970.	HMSO, 10s
European Free Trade Association. Pharmaceutical convention to remove obstacles to trade in pharmaceuticals, signed 8th October 1970.	Press release EFTA 8.10.70
Digest of Port Statistics 1970. Basic statistical information covering the main features of and activities at British ports.	National Ports Council 17 North Audley Street, London W1Y 1WE, 45s
Office Machine Industry. Fact Sheet on British Industry.	COI R 5776.35

Social and Cultural Affairs

Department of Health and Social Security. Report for 1969 (see pp. 919-22).	Cmnd. 4462. HMSO, 40s
Health Services in Scotland. Reports for 1969 of the Scottish Home and Health Department and the Scottish Health Services Council (see pp. 922-3).	Cmnd. 4392. HMSO, 15s

Towards the Middle School. A pamphlet about ways in which middle schools might be organised. Education Pamphlet No. 57, Department of Education and Science.	HMSO, 8s 6d
Launching Middle Schools. An account of preparations and early experiences in a division in Yorkshire. Education Survey 8, Department of Education and Science	HMSO, 3s
Council for Postgraduate Medical Education. The Secretary of State for Social Services has decided to establish a Council for Postgraduate Medical Education in England and Wales as recommended by the Todd Report [see 24.6.68 p. 442]. The purpose of the council will be to co-ordinate and stimulate the development of postgraduate medical education and to provide an authoritative source of advice to the Government. Professor H N Robson, Vice-Chancellor of Sheffield University, is to be chairman of the new council.	Press release DHSS 7.10.70
Publicity Campaign for House Improvement Grants The Ministry of Housing and Local Government is launching a national publicity campaign to promote improvement grants for older housing. Fifty local authorities have already been approached with a view to organising 'house improvement months' in their localities, and a further 50 authorities will be approached later. The Ministry is offering money for local press advertisement campaigns and has already conducted its own national press campaign inviting applications for information about improvement grants available. About 109,000 such grants were approved in England and Wales in 1969.	Press release MHLG 12.10.70
British Museum Extension Plan Plans for a five-storey extension to the British Museum, which would provide additional restaurant, gallery and office space, were placed on view to the public on 13th October. The scheme, which is awaiting local authority approval, would cost £1,250,000 to implement. If sanctioned, it is hoped that construction work can begin on the new building in January 1972 and be completed by the end of 1974.	Press release MPBW 12.10.70
Greater Peterborough Master Plan (see pp. 923-6).	Peterborough Development Corporation Peterborough PE1 1UJ, 70s

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Contents

GOVERNMENT AND ADMINISTRATION

United Kingdom Government

REORGANISATION OF CENTRAL GOVERNMENT

On 15th October the Government issued a White Paper[1] setting out its proposals for changes in the organisation of central government in Britain. The changes are the outcome of a review initiated when the Conservative Government came into office in July [see 3 7 70 p. 601] and they include the creation of two major new departments, the transfer of certain sectors of responsibility from one department to another, and the establishment of new machinery for reviewing central policy.

Some of the changes proposed have already taken effect: others have to be effected by Orders in Council which require parliamentary authority.

Aims in the Review

The aims in the review were stated in the White Paper to have been to improve the quality of policy formulation and decision-taking in government, and the framework within which public policy was formulated; and to ensure that the government machine responded and adapted itself to new policies and programmes as these emerged. The fulfilment of these aims was essential to the 'new style of government' to which the present administration was pledged, since it would improve efficiency without increasing the power of the state. The Conservative Government believed that 'government has been attempting to do too much', and that this has placed an excessive burden on industry, and on the people of the country as a whole, and has also 'overloaded the government machine itself'.

Principles of Reorganisation

The reorganisation that was to be carried out was designed to ensure that the broad framework of the central machinery in terms of departmental and ministerial functions complied with the Government's strategic policy objectives. This meant, in practical terms, the application of the 'functional principle' as the basis for the allocation of responsibility: government departments should be organised by reference to the task to be done or the objective to be attained rather than by reference to the 'client group' involved.

Unification of Functions

In terms of departmental organisation the outcome of the Government's review has involved the re-ordering of responsibility of functions between the departments dealing with trade and industry, aviation supply, the environment, overseas aid, the personal social services, and education and the urban programme in Wales, with the emphasis on the grouping of functions together in

[1] *The Reorganisation of Central Government* (Cmnd. 4506, HMSO, 2s 6d).

departments with a wide span, so as to provide a series of fields of unified policy. The Government recognised that 'the mere aggregation of functions into a series of large departments would lead to problems of management because of the size and complexity of the top organisational apparatus', but these problems would be reduced by clearly defining the boundaries of the functional wings which would make up the large departments, and the responsibilities, both ministerial and official, of those who worked in them. There would, likewise, be a sustained effort to ensure that, among those functions which remained a necessary part of central government, executive blocks of work would be delegated to accountable units of management. These were, however, major changes and would take some time to bring about. Special attention would also be paid to the need to create within the large departments a satisfactory organisation for handling career planning and staff management

The Department of Trade and Industry

The new Department of Trade and Industry which has been set up[1] is based on the functions of the Board of Trade (including the Board's civil aviation responsibilities) and the functions of the Ministry of Technology (other than its responsibility for aerospace research, development and procurement and for sponsorship of the aerospace industry). The central objective of the new department is to assist British industry and commerce to improve their economic and technological strength by establishing a general framework of requirements, incentives and restraints within which firms can operate to their own individual advantage.

Its work will include:

Development of general industrial and commercial policy and the Government's relations with individual industries

Overseas commercial relations and exports, including a major share in the negotiations for membership of the European Economic Community (EEC), export promotion services, export credits and tariff questions.

Regional industrial development.

Future policy on monopolies, mergers and restrictive trade practices (from the former Department of Employment and Productivity see p 937)

Company law.

Energy policy.

Pay and pricing in those nationalised industries for which it is responsible electricity, gas, coal, atomic energy, steel, airlines and airports

Civil aviation questions.

Shipping questions.

The department is in the charge of a Secretary of State (who also holds the historic office of President of the Board of Trade), supported by two Ministers with the status of a Minister in charge of a department not represented in the Cabinet, and two Parliamentary Under-Secretaries of State. The Secretary of State, Mr. John Davies (former Minister of Technology) is concerned primarily with the strategic issues of policy and priority which determine the operations of his department as a whole. The Minister for Trade, Mr. Michael Noble (former President of the Board of Trade) will be generally responsible, under the Secretary of State, for the international aspects of industry and commerce, and for

[1] By Order in Council under 'negative resolution procedure', which means that an effective Order may be made but that either House of Parliament may secure its annulment by a resolution passed within a certain number of days of the instrument, being laid before it. The resolution, in such a case, takes the form of an Address to Her Majesty that the instrument be annulled. and is followed by the annulment of

those aspects of aviation that fall within the department's sphere. The Minister for Industry, Sir John Eden (formerly a Minister of State in the Ministry of Technology) will be responsible for privately-owned manufacturing industries, the service industries, and those nationalised industries (other than the air corporations and the British Airports Authority) within the department's sphere of administration. The Parliamentary Under-Secretary for Trade, Mr. Anthony Grant (formerly Parliamentary Secretary in the Board of Trade) will generally assist the Minister for Trade, but will also be responsible for shipping policy and marine matters (on which he will refer direct to the Secretary of State) and for regional policy, regional advisory services to industry, investment grants and tourism (on which he will refer to the Minister for Industry). The Parliamentary Under-Secretary for Industry, Mr Nicholas Ridley (formerly Parliamentary Secretary, Ministry of Technology) will give general assistance to the Minister for Industry taking responsibility, as regards individual industries, for shipbuilding and films and dealing with insurance and companies, consumer protection, standards, weights and measures, and the Patent Office. He will also be responsible for research, and for monopolies, mergers and restrictive trade practices, on which he will refer direct to the Secretary of State.

The advantages of thus unifying the whole field of industrial policy and administration are stated in the White Paper to be· that it avoids an 'unreal dichotomy' between the internal and international aspects of commerce and industry, combines responsibility for government relations with publicly and privately owned industries in the same sector, simplifies industry's contacts with Government, brings general industrial and commercial services into the same department as the Government's relationship with specific industries; favours the formulation and consistent operation of a single policy on public and private industry, and will be of benefit in the context of Britain joining the EEC.

Ministry of Aviation Supply

The responsibilities of the former Ministry of Technology for aerospace research, development and procurement, which are largely concerned with the procurement of aircraft and similar equipment for defence purposes, are to be transferred as a temporary measure to a separate Ministry of Aviation Supply. The new Ministry, which will also assume the civil aerospace functions of the Ministry of Technology, will have its own Minister (Mr Frederick Corfield—formerly Minister of State in the Board of Trade), who will have full responsibility for all the civil aspects of his department's work, including responsibility for relations with the aerospace industry, but will have the same special responsibility to the Secretary of State for Defence on its defence aspects as has hitherto existed between the Technology Ministers and the Defence Secretary.

It is explained in the White Paper that this is a short-term arrangement and that the Government is setting up a project team to consider and report on the best way (a) to organise the integration of all defence research and development and procurement activities under the responsibility of the Secretary of State for Defence, and (b) to handle, in the light of (a), the Government's relations with the industries concerned, including its responsibilities in support of civil aircraft projects and other civil aerospace activities. The project team is expected to make recommendations in time for new arrangements to be made after April 1972

The Department of the Environment

The new Department of the Environment is to be responsible for the whole range of functions affecting the physical environment in which people live and work. Hitherto these functions, which include maintaining a decent environment, improving people's living conditions, and providing for adequate transport

facilities, have been divided between the Ministries of Housing and Local Government, of Public Building and Works, and of Transport, but, because of their interaction and because they 'give rise to acute and conflicting requirements', they are now to be combined in one department, unifying the three separate Ministries, under a Secretary of State

The new department's responsibilities will cover

Reform of local government.
Housing policy and finance.
Control of environmental pollution
Highway strategy and the road programme
Policy for the port industry
Regional development (in co-operation with the Department of Trade and Industry).
Co-relation of urban and transport planning
Investment policies of the nationalised transport industries
Responsibility for the construction industry
Conservation and amenity (particularly the countryside)

The new Secretary of State for the Environment, who is to be Mr Peter Walker (former Minister of Housing and Local Government), will have final responsibility for all the department's operations He will be supported by three Ministers (who will have the same status as the Ministers in the Department of Trade and Industry) as follows

Minister for Housing and Construction (Mr Julian Amery formerly Minister of Public Building and Works) who will be concerned with housing programmes and finance, housing improvement building regulations new towns; relations with the building and civil engineering industry government accommodation at home and overseas, building for the armed forces the Post Office, research establishments and the prison service and royal parks palaces and ancient monuments The Minister will be assisted generally by a Parliamentary Under-Secretary of State (Mr Paul Channon formerly Parliamentary Secretary, Ministry of Housing and Local Government)

Minister for Transport Industries (Mr John Peyton formerly Minister of Transport) who will be concerned with ports, general policy on the nationalised transport industries, railways, inland waterways, the channel tunnel freight haulage; international aspects of inland transport, road and vehicle safety and licensing; and sport and recreation. The Minister will be assisted generally by a Parliamentary Under-Secretary of State (Mr Eldon Griffiths formerly Parliamentary Secretary, Ministry of Housing and Local Government) who will also assist the Secretary of State in the co-ordination of work on environmental pollution, with special responsibility for clean air and noise functions

Minister for Local Government and Development (Mr Graham Page formerly Minister of State, Ministry of Housing and Local Government) who will be concerned with local government; regional, land use, and transport planning; the countryside and conservation; roads road passenger transport and water, sewerage, and refuse disposal The Minister will be assisted generally by two Parliamentary Under Secretaries of State: the Reverend Lord Sandford formerly Parliamentary Secretary, Ministry of Housing and Local Government and Mr. Michael Heseltine—formerly Parliamentary Secretary, Transport Lord Sandford will normally deal with the department's business in the House of Lords and within the department will have special responsibility for work on the countryside and the conservation of historic towns and buildings.

Overseas Aid

The Ministry of Overseas Development, which is responsible for planning and administering government policy for all aspects of overseas aid and assistance, will cease to be a separate department, in light of the decision that, in order to unify ministerial responsibility for all overseas policy, aid should be the ultimate responsibility of the Secretary of State for Foreign and Commonwealth Affairs. The development work of the unified department will be in charge of a Minister for Overseas Development, by delegation from the Secretary of State.

Department of Employment

The renamed Department of Employment will retain the existing responsibility of the former Department of Employment and Productivity in the field of industrial relations, pay policy, employment, training and related manpower questions, including safety, health and welfare in employment. It will no longer be responsible for policy towards monopolies and mergers and restrictive trade practices (see p. 934).

Personal Social Services

To match the integration of the personal social services—welfare, child care and some aspects of health—which is being effected at local authority level in England and Wales by the Local Authority Social Services Act 1970 [see 23 7 70 p. 322], the child care responsibilities of the Home Secretary in England and Wales are to be transferred to the Secretary of State for the Social Services when the main provisions of the Act come into force on 1st January 1971. The Secretary of State for Wales will assume similar responsibilities in Wales. The Home Secretary will retain, in England and Wales, his existing responsibilities in relation to the juvenile courts and the problems of juvenile delinquency, since these are integral to his overriding responsibility for protecting the public and ensuring the rights and liberties of the individual.

Wales

In addition to child care functions, responsibility for primary and secondary education in Wales is being transferred to the Secretary of State for Wales. In addition there are to be administrative arrangements to ensure that, in future, the Welsh Office will share in the administration of the urban programme of grants to areas of acute social deprivation [see 19 6 70 p. 595].

Policy-making and Public Expenditure

Associated with these administrative changes is the establishment of new machinery for reviewing collective policy decisions. There is an existing system of inter-departmental committees designed to maintain the collective responsibility of Ministers for the Government's policies in each of the main sectors of governmental concern and which ensures that final decisions command the agreement of the Cabinet as a whole. The new Government believes that in addition there is a need for a body to formulate and review overall government strategy. Accordingly, as a first stage, a 'small, multi-disciplinary central policy review staff' is being established in the Cabinet Office. Under the supervision of the Prime Minister it will work for Ministers collectively, its functions being to assist Ministers to work out the implications of their basic strategy in terms of policies in specific areas, to establish relative priorities to be given to the different sectors of their programmes as a whole, to identify those areas of policy in which new choices can be exercised and to ensure that the underlying

implications of alternative courses of action are fully analysed and considered. The head of the Central Policy Review Staff is Lord Rothschild, formerly Research Director of the Royal Dutch/Shell group.

In the planning and control of public expenditure, the most important feature has been the development of detailed and comprehensive annual public expenditure Surveys [see 2.1.70 pp. 18-22] linked with medium-term economic assessments. While this system is a powerful instrument of demand management and financial control, it is considered by the Government to need further strengthening with the particular objectives of allowing a Minister's plans to be tested against general government strategy and allowing detailed analysis of major policy options on existing programmes. Accordingly, the Government notes with favour the work of the team of businessmen based in the Civil Service Department in developing a system for more useful regular reviews which would identify and investigate alternative policy options open to Ministers.

Continuing Review of Government

The changes outlined above comprise the principal features of the Government's current policy for the reorganisation of Britain's central administration. But the overall review of government functions is to be a continuing exercise. On one hand, in order to reduce and rationalise government, the role of every department must be thoroughly re-examined to ensure that its work does represent necessary functions of central government, and that at all levels responsibility and accountability are clearly defined and allocated. At the same time, the Government is to take a fresh look at the location of government work and in particular at the possibilities of dispersing more of it from London. It is expected that the investigation of this problem will take about a year, after which further decisions will be taken.

United Nations: Twenty-fifth Anniversary

COMMEMORATIVE SESSION OF GENERAL ASSEMBLY

To mark the twenty-fifth anniversary of the Charter of the United Nations (which entered into force on 24th October 1945) the UN General Assembly held a special commemorative session from 14th to 24th October The session, which was attended by over 30 Heads of State or Government and about 100 Foreign Ministers or other Ministers of Cabinet rank, culminated in the approval of a Declaration on the Occasion of the Twenty-fifth Anniversary of the United Nations, and of two other documents concerning friendly relations between states and the strategy for the second UN Development Decade

BRITISH PRIME MINISTER'S SPEECH

The British Prime Minister, Mr Edward Heath, addressed the Assembly on 23rd October He began his speech by paying tribute to the work of the President, Mr Hambro of Norway, and of the Secretary-General, U Thant, and drawing attention to the significance of the commemorative session as ' an occasion both for appraising the developments of the past quarter of a century and for looking forward to the next ' He went on to speak of the origins and growth of the organisation and the challenges it now faced ' We are still beset ', he said, ' with the problems which divide East and West, but we are also preoccupied with new challenges the North-South problems the problems which lie in the way of trust and co-operation and even of tolerance between the races, and between the richer nations and the poorer '

' A Cult of Political Violence '

' Moreover, we must recognise a new threat to the peace of the nations, indeed to the very fabric of society We have seen in the last few years the growth of a cult of political violence, preached and practised not so much between states as within them. It is a sombre thought, but it may be that in the 1970s civil war, not war between nations, will be the main danger we will face.'

Mr. Heath said that this use of violence for political ends had been a feature of events in Northern Ireland, where the crucial division was not between Protestant and Catholic or between Left and Right but ' between those who believe that constructive change is the only sound basis for peace, justice and progress, and those who reach at the first opportunity for the rifle and the bomb '. Mr Heath thanked Mr. Lynch, the Prime Minister of the Irish Republic, for the support for peaceful reform in Northern Ireland, which he had expressed in his speech to the Assembly on the previous day.

Returning to the general theme of the growth of political violence, Mr. Heath continued: ' Sometimes the resort to violence is a legacy of past errors, the product of desperation and of frustration at the failure of society

International Trade

Recalling his own experience at the first UN Conference on Trade and Development (UNCTAD), Mr. Heath said: 'Nothing contributes more effectively to development than expanding trade. This is why at the first UNCTAD we strongly supported the idea of generalised tariff preferences by the developed industrialised world for the developing countries. One of the things which has given me greatest happiness at this Assembly is to know that after six years-and six years of very hard work– this is now about to be realised. It is also encouraging that more and more of the exports from developing countries are manufactured and semi-manufactured goods. We in Britain now import more and more of these goods from developing countries, even at much cost to our own industries. In the last two years, over a quarter of our imports from developing countries have been manufactured and semi-manufactured goods. These are all welcome developments. I believe that the wider integration of Europe for which we are working will only affect them for the better. I would expect the entry of the United Kingdom into the European Economic Community to accelerate our own economic growth. This should benefit the exports of the developing countries.'

Investment in the Developing Countries

'The fuel for development is finance. We know that many developing countries have a high degree of state direction in their economy. We quite understand, therefore, that they prefer to receive development finance direct from governments. At the same time, private enterprise plays a major role in the economies of most of the highly-developed countries and the bulk of their capital available for export is in the form of private investment. We have to recognise this difference in economic systems and to make sure that it in no way inhibits the flow of capital from developed to developing countries. In Britain we shall encourage our firms to invest in developing countries. Governments of developing countries need to recognise that in order to attract private investment, which is necessary to reach the targets, they must welcome the foreign investor and not discriminate arbitrarily against him. If they can work in co-partnership, then so much the better for both.'

The British Commitment

The Prime Minister assured the Assembly that, despite proposed cuts in public expenditure, the British Government intended to expand the official aid programme and he reaffirmed the Government's acceptance of the target of one per cent of gross national product to be transferred to the developing countries in official and private aid and investment, which had been agreed at the second UNCTAD in 1968. 'In accordance with the strategy for the second Development Decade we shall do our best to reach this target by 1975', he affirmed.

'A New and More Practical Approach'

Returning briefly to the main themes of his speech, Mr. Heath called for 'a new and more practical approach by our organisation to international problems. It is always easier to criticise than to build. It is easier to condemn than to understand. It is easier to stand rigidly by our own particular demands, our own doctrines, our own version of history, than to move forward on to ground where we may hope, through sensible compromise, to reach agreement with others. But the time has come in this organisation to resist these temptations. Let us improve our working methods. Let us cut out waste of time and money. Let us look at the practical results of our actions on the lives of our

citizens. Let us agree that the United Nations should concentrate on its vital role as peacekeeper and peacemaker and as an effective contributor to world development . . . In these tasks the United Nations can rely on the full support of [the British] Government.'

ANNIVERSARY DECLARATION

The Declaration on the Occasion of the Twenty-fifth Anniversary of the United Nations was adopted by the General Assembly on 24th October, the final day of its commemorative session. Adoption was by acclamation: on 22nd October the representatives of 12 states[1] expressed their delegations' reservations on the text of the declaration. The representative of South Africa requested that his country's total dissociation from the document should be shown clearly in the record. The Portuguese representative also denounced the declaration and announced that his delegation intended to absent itself from the declaratory session.

In explanatory statements to the regular session of the General Assembly on 13th October and to the commemorative session on 22nd October, the British Permanent Representative, Sir Colin Crowe, said that the British Government welcomed the declaration. It had proved possible to draw up an agreed text because a spirit of 'give and take' and compromise had been shown by members, and it was in this same spirit of compromise that the British Government had authorised him to accept the text: however, this acceptance could not be unreserved. In his statement on 22nd October, Sir Colin drew attention to the 'strong contrast' between the 'statesmanlike language' of most of the declaration and the controversial nature of some of the language in the sections on decolonisation and *apartheid*. The British Government, he reaffirmed, did not regard anything in the section on decolonisation as implying condonation of violence or of external support for it, nor did acceptance of the phrase 'taking into account the Declaration on the Granting of Independence to Colonial Countries and Peoples' imply any change in his Government's attitude to that declaration. The use of the word 'crime' to describe the policy of *apartheid* carried, in the understanding of the British Government, no technical legal connotations.

Some of the major points from the declaration are summarised below:

The United Nations, despite its limitations, had made an important contribution to the maintenance of international peace and security, to developing friendly relations based on respect for the principle of equal rights and self-determination of peoples and to achieving international co-operation in economic, social, cultural and humanitarian fields. The declaration reaffirmed the 'deep conviction that the United Nations can provide a most effective means to strengthen the freedom and independence of nations'. Members would exert their 'utmost efforts' to develop friendly relations and co-operation among states, based on the principles of the sovereign equality of states and of non-intervention in the affairs of other states.

Peace and Security

The declaration reaffirmed members' determination 'to take steps to fulfil the central task of the United Nations—the preservation of international peace and security—since the solution of many other problems, notably those

[1] Albania, Australia, Brazil, Britain, Cuba, France, Italy, Nigeria, the Soviet Union, Spain, Uganda and the United States.

of disarmament and economic development, is inseparably linked thereto, and to reach agreement on more effective measures for carrying out United Nations peacekeeping consistent with the Charter'. All member states were urged to make greater use of the means provided for in the Charter for the peaceful settlement of disputes and conflicts. The declaration also called on all governments to renew their efforts to make 'concrete progress towards the elimination of the arms race and the achievement of . . general and complete disarmament under effective international control'.

Decolonisation

The declaration welcomed the progress made in the process of decolonisation during the last 25 years and acclaimed the role the United Nations had played in this process, but drew attention to the situation in some remaining dependent territories, particularly in southern Africa. It reaffirmed the right of the people of non-self-governing territories to self-determination and re-emphasised that they were entitled 'to seek and to receive all necessary moral and material help in accordance with the purposes and principles of the Charter'. The declaration called on all governments to comply in this respect with the provisions of the Charter, taking into account the Declaration on the Granting of Independence to Colonial Countries and Peoples.

Human Rights

The declaration drew attention to what had already been achieved by or through the United Nations in this field and to the need for further progress; the members therefore pledged themselves to a continued and determined struggle against all violations of human rights and fundamental freedoms, in particular by greater use of the facilities provided by the United Nations in accordance with the Charter. In a section condemning 'all forms of oppression and tyranny wherever they occur and racism and the practice of racial discrimination in all its manifestations', the declaration reaffirmed members' determination to work for the elimination of *apartheid* in South Africa, which it described as 'a crime against the conscience and dignity of mankind' and contrary to the principles of the Charter.

Economic Development

During the past 25 years efforts had been made by the adoption of specific measures and the foundation of new institutions to give concrete substance to the Charter objectives of stability, well-being and a minimum standard of living consistent with human dignity. Convinced that such economic and social development was essential to peace, international security and justice, the nations of the world had resolved to seek a better and more effective system of international co-operation. In this context the activities of the UN system designed to secure the economic and social progress of all countries, in particular the developing countries, which had grown significantly in the past 25 years should be further strengthened and increased. The United Nations had proclaimed the 1970s to be the second UN Development Decade and had adopted the international development strategy for the decade. The declaration urged all governments to give their full support to the most complete and effective implementation of this strategy in order to realise the fundamental objectives of the Charter.

The declaration reaffirmed the intention of members to make full use, through the United Nations and in other ways, of advances in science and technology for the benefit of peoples everywhere, in such fields as outer space, the

the quality of the environment, so that the developed and developing countries might share equitably scientific and technical advances, thus contributing to the acceleration of economic development throughout the world.

The Organisation

The declaration expressed the hope that those countries not yet members of the organisation but 'able and willing to carry out the obligations of the Charter' would become members. It was also desirable to find ways and means to strengthen the organisation's effectiveness in dealing with the growing volume and complexity of its work in all areas of its activities, and notably those relating to the strengthening of international peace and security, including a more rational division and co-ordination of work among the various agencies and organisations of the UN system

Fiji

INDEPENDENCE AND COMMONWEALTH MEMBERSHIP

On 10th October, 1970, the ninety-sixth anniversary of the day on which the Fijian chiefs ceded their islands to Queen Victoria, Fiji became an independent state

The decision on independence had been reached at a conference held in London in April and May [see 19.6.70 pp. 582-4], and was subsequently endorsed by the Fiji Legislative Council and by the British Parliament. The Fiji Independence Act received the Royal Assent on 24th July

Simultaneously with its achievement of independence, Fiji became a member of the Commonwealth. An announcement to this effect was made by the Commonwealth Secretary-General, Mr. Arnold Smith, on 9th October, when he stated that consultations with Commonwealth Heads of Government had resulted in a unanimous welcome for Fiji's membership.

Celebrations in Fiji

The independence celebrations were attended by the Prince of Wales, representing the Queen, and by representatives of 25 Commonwealth and foreign countries. The Prince arrived in Suva, capital of Fiji, on 9th October, and at sunset on the same evening was present at the ceremonial lowering, for the last time, of the British flag

On the following morning the new flag of Fiji was raised, and the Prince handed over the constitutional instruments to Sir Kamisese Mara, Prime Minister of the newly independent state. He read a message from the Queen, in which she recalled the Deed of Cession of 1874 and went on: 'Since that day there has always been mutual faith and confidence between Fiji and Britain in peace and war. This relationship has stood the test of time and will, I believe, endure in the future. With independence, your leaders assume burdens and will have greater responsibilities to discharge. I am confident that with a spirit of goodwill, and with trust and tolerance, they will be successful in bringing to Fiji the progress which we all desire and expect. I have no doubt that if you continue to seek solutions to future problems in the same spirit in which you have faced and overcome those of the past, the years ahead will be bright and prosperous.'

In his reply, the Prime Minister spoke of Fiji's 'long and treasured' links with the British Crown. 'We look forward', he went on, 'to maintaining

and strengthening them. Nothing that is happening today can change the warm feelings of our people of Fiji for the Crown, the United Kingdom, and its peoples. We have been so closely associated over the years in good times and bad. From the very outset of our steps to independence, we have been firmly set on joining the Commonwealth.' He stressed the new responsibilities Fiji was now assuming after its long period of tutelage, and continued, 'We do not only take on responsibility for ourselves, we take it on for each other. We are a community of many races with different cultures, customs and languages, but the things that unite us far outnumber those on which we differ. Above all there is our fixed joint determination to build a strong united Fiji, rich in its diversity and tempered with tolerance, goodwill and understanding. I am confident Fiji can show the world an example of harmony and progress out of all proportion to its size.'

The Prince of Wales remained in Fiji for six days. He attended a number of ceremonies, including a state dinner, an ecumenical thanks giving service and a meeting with Suva City Councillors, and he visited several islands of the group, carrying out official duties and mingling informally with the people.

Membership of the United Nations

At Britain's request, the Security Council of the United Nations on 10th October considered Fiji's application for membership of the organisation. Unanimous approval was accorded, and on 13th October the General Assembly gave its approval by acclamation. Fiji then became the one hundred and twenty-seventh member state.

Government Expenditure and Taxation

NEW POLICIES FOR PUBLIC SPENDING

A wide range of measures to implement the Government's new policies for public spending were announced in the House of Commons on 27th October (*Hansard*, cols. 38-51) by the Chancellor of the Exchequer, Mr Anthony Barber. A more detailed account of these measures can be obtained from the text of the Chancellor's speech read in conjunction with three new White Papers: *New Policies for Public Spending*, Cmnd. 4515 (HMSO, 2s); *Investment Incentives*, Cmnd 4516 (HMSO, 2s), and *Tables illustrating the Income Tax payable under the Proposals announced by the Chancellor of the Exchequer on 27th October 1970*, Cmnd 4517 (HMSO, 2s)

Cmnd 4515 outlines the effects of the new policies on the public expenditure programmes, and the exemptions, remissions or offsetting benefits which would be available where these policies affect families' outgoings. Tables 1 and 2, reproduced from this White Paper (see pp 948-9), show the public expenditure programmes for 1971-72 and, in outline, for 1974-75 as they would have been on the policies existing before the Government's review, and as they will be now. The totals of the new programmes are lower than the previous costings by about £330 million in 1971-72 and by nearly £1,600 million in 1974-75. Between these years the average annual rate of increase in total public expenditure which at constant prices would have been 3.5 per cent on the previous costings, becomes 2.8 per cent (excluding investment grants from the comparison)

Chancellor's Statement

Mr Barber began his speech by emphasising that the Government had begun a fundamental reform of its own role and that of public authorities with the object of concentrating their activities and expenditure on tasks that they alone could perform, and of enabling the individual citizen to keep more of the money he earned, have greater incentive to increase his earnings, and to have greater freedom in how he spent or saved his income.

The public services, thus redefined, still had a vital role in the life of the nation and they should be subject to firm control to secure economy and efficiency

The Government intended to adopt a more selective approach to the social services. There would be increases in expenditure on the basic structure—schools, hospitals, payments to those in need. But it aimed to confine the scope of free or subsidised provisions more closely to what was necessary on social grounds, because many arrangements which might have been appropriate a generation ago had now been overtaken by economic and social progress.

The same principle would be applied by the Government in its relations with private industry. Government departments and other bodies had spread their activities too widely, drawing in resources and skilled manpower which ought to be more productively engaged in private industry and commerce. The object was to lessen Government interference and reduce Government subsidies; to extend

TABLE 1

PUBLIC EXPENDITURE BY PROGRAMME: 1971-72 £ million

	Previous programmes	*Changes*		*New programmes*
		increases	*decreases*	
At 1970 Survey prices	(*a*)	(*b*)	(*c*)	(*d*)
Defence and external relations				
Defence Budget	2,355		28	2,327
Other military defence	48	[illegible]		51
Overseas aid	213			[illegible]
Other overseas services	130		1	[illegible]
Commerce and industry				
Agriculture (excluding) price guarantees)	288		[illegible]	[illegible]
Research councils, etc	117		[illegible]	[illegible]
Technology and industry				
Excluding investment grants	[illegible]	[illegible]	46	[illegible]
Investment grants	576			[illegible]
Nationalised industries				
Capital expenditure	1,587	10	[illegible]	[illegible]
Transport and misc. local services				
Roads and transport	1,017		[illegible]	[illegible]
Housing (excluding subsidies)	838			[illegible]
Miscellaneous local services	869		10	[illegible]
Law and order	728	1		[illegible]
Arts	24	1		[illegible]
Social services				
Education	2,668	[illegible]	[illegible]	[illegible]
Health and welfare	2,108	19	[illegible]	[illegible]
Social security	3,928	65	1	[illegible]
Other services				
Financial administration	231		1	[illegible]
Common services	221			[illegible]
Miscellaneous services	111		20	[illegible]
Northern Ireland[1]	492			[illegible]
Debt interest	2,000	20		[illegible]
Agriculture: price guarantees	176			
Housing subsidies	341		27	[illegible]
Contingency reserve	75			
Relative price effect and other adjustments	935		85	850
(*at 1970-71 outturn prices*) TOTAL	22,725	129	458	22,396

[1] This figure takes no account of savings on investment grants which will start to accrue towards the end of 1971-72 but which, after allowing for time lags and for transitional arrangements, will not be substantial until 1972-73

TABLE 2

PUBLIC EXPENDITURE BY GROUPS OF PROGRAMMES, 1974-75 £ mill

	Previous programmes	Changes		New programmes
		increases	*decreases*	
At 1970 Survey prices	(a)	(b)	(c)	(d)
Defence and external relations	2,870		130	2,740
Commerce and industry				
Excluding agricultural price guarantees and investment grants	990	40	160	870
Investment grants	670		670(1)	—
Nationalised industries	1,870	30	-130	1,770
Transport and misc. local services (excl. housing subsidies)	3,940		70	3,870
Social services	9,360	60	160	9,260
Other services(4)	1,140			1,140
Debt interest	1,780	30		1,810
Agriculture price guarantees	180			
Housing subsidies	430		360	750(3)
Contingency reserve	500			
Relative price effect and other adjustments	1,530		40	1,490
At 1970-71 outturn prices				
TOTAL	25,260	160	-1,720	23,700

(1) This figure does not allow for residual grant payments in 1974-75 on capital expenditure incurred under contracts made before 27th October 1970.

(2) See footnote 2, Table 1.

(3) See footnote 3, Table 1.

General Notes on Tables 1 and 2

(i) The figures in column (a) are the costings made in the latest annual Survey of public expenditure and long-term costings of defence policy which are prepared in the early summer of each year. They include the estimates then made of the cost of the policies set out in the White Paper *Public Expenditure, 1968-69 to 1973-74* (Cmnd. 4234) and such changes of policy as were made after the White Paper but before the Survey. They represent the position as seen at the beginning of this Parliament.

(ii) The figures in columns (b) and (c) comprise (A) subsequent changes in estimates and (B) the changes caused by the new policies set out in the White Paper Cmnd. 4515.

(iii) The main changes in estimates referred to at (ii) (A) above are:

	1971-72		1974-75	
	Increases	*Decreases*	*Increases*	*Decreases*
Other military defence	3	—	—	—
Technology and industry	-	--	10	—
Nationalised industries	10	25	30	50
Education	•	—	12	—
Social security	38	—	—	—
Debt interest	20		30	—

(iv) The established convention for expressing projections of the social security programme is that the figures show the cash cost of the benefits at their existing levels. The additional real cost of any improvements of benefits that may be decided upon in the future represents a charge on the contingency reserve.

(v) The provision for the relative price effect and other adjustments includes new estimates for the relative price effect, the adjustments to 1970-71 outturn prices; and the price adjustment for social security benefits (see Cmnd. 4234, Appendix III, paragraph 9). The decreases take account of the latest estimates of shortfall (£100 million) over the programmes as a whole other than capital expenditure of the nationalised industries.

the opportunities for profitable enterprise, and to widen the area within which industry rather than Government would take decisions

The review of Government activity and involvement would be a continuing process. The proposals announced recently on the reorganisation of central Government were designed to increase the efficiency of the whole public sector and to make the control of public expenditure more effective

A thorough review of the functions of central Government departments was now in hand. It was important that local authorities should approach their expenditure planning in the same spirit, and in the negotiations for rate support grant the Government would assume that they would improve their efficiency

The effect of the policies which had been applied in recent years was clearly seen in the way the national income had been used In 1964, the public sector accounted for 44 per cent of the gross domestic product By 1969, that proportion had risen to 50 per cent—exactly half Britain's national output In the Government's view, this trend was unacceptable

Mr. Barber then outlined the main policy changes resulting from the Government's review The economic effect of these changes may be summarised as follows (all figures are expressed in 1970 prices and incomes)

Defence. Britain would maintain a military presence in South-East Asia as part of a five-Power defence agreement and the Territorial and Army Volunteer Reserve would be expanded. Defence spending in 1974-75 would not exceed £2,300 million, representing a net saving of over £130 million on long-term costings total for that year

Overseas Aid The expanding programme of aid up to 1973-74 would be maintained and the Government would continue the progress to £340 million in gross cash terms in 1974-75.

Technology and Industry Public expenditure on trade industry and employment (excluding investment grants and the nationalised industries) was currently running at about £650 million a year Much of this sum should be provided by industry itself and not by the taxpayer The Industrial Reorganisation Corporation would be wound up after meeting existing commitments and the Regional Employment Premium would be discontinued after September 1974 Further economies rising to about £70 million by 1974-75 would be made on expenditure in support of industry

Hotels and Tourism. The scheme of grants and loans to hotels would be brought to an end when it reached the time limit under existing legislation There would however, be a new scheme of assistance to tourism projects in the development areas

British Productivity Council. The grant to the council would be phased out

Consumer Council The grant to the Consumer Council would be discontinued

Research Councils. Public expenditure on the research councils was running at £110 million a year and was rising at a rate of 5 to 6 per cent a year in real terms This programme would be cut by £2 million in 1971-72 rising to £5 million in 1974-75.

Roads. Expenditure on roads and transport would be about £13 million less than previously planned for 1971-72 and £43 million below the figure implied in existing plans for 1974-75. This reduction would be achieved by deferring low priority work and by restricting capital works by local authorities on minor roads where the general standard was good There would be no change in the

Railways. Grants to the London area commuter services would be eliminated by 1973. This would reduce the level of grant by £10 million in 1971-72 and £15 million in 1972-73.

Ports. Savings of £30 million in 1971-72 and £10 million in 1974-75 would be obtained by not proceeding with nationalisation of the ports.

Nationalised Industries. A saving of £42 million in 1971-72 rising to £73 million in 1974-75 would result from a re-examination of the programmes of the nationalised industries.

Housing. The present system of subsidies, rents and rebates would be entirely refashioned. Instead of the present indiscriminate distribution of subsidies help would go where it was most needed. By the mid seventies this reform should lead to a saving of £100 million to £200 million a year on the expenditure which would have resulted from the policies in operation when the Government took office.

Agriculture. A system of import levies would be introduced to improve the method of agricultural support and reduce the cost to the taxpayer. This could have a beneficial effect on the agricultural support bill as early as 1971-72 and yield a major saving on the deficiency payments of the order of £150 million by 1974-75.

Local Authorities. There was scope for reducing the part played by local authorities and new towns in financing commercial and industrial development outside development areas. This was expected to yield a saving of £10 million a year.

Education

School Building Programme. In the field of education provision would be made for additional expenditure on educational building amounting to £28 million in the period 1971-72 to 1974-75 (Cmnd. 4515, item 21 refers to this).

School Meals. The present charge of 1s 9d would be raised in two stages, in 1971 and 1973, towards the actual cost, which at present was 2s 10d.

Milk. The supply of free milk to schoolchildren over 7 would be discontinued. Pupils up to 12 who had a medical requirement, and pupils in special schools would not, however, be affected by the change.

Further Education. Increases in fees from September 1971 for non-vocational courses (and for vocational courses for those already in employment) taken in further education establishments, would be discussed with local education authorities in England and Wales. There would not be a tuition charge for students under 18 attending full-time courses.

Social Services

Where the user could afford it, he should bear more of the cost of the social services and the taxpayer less. But more help would be given to those who needed it. At the same time the Government intended to add substantially to the resources devoted to the basic structure of the health, welfare and education services and to introduce a new social security benefit. This principle would be achieved partly by the abolition of subsidies and partly by new or increased charges, with exemptions and better remission arrangements for those who were poor or who had special needs.

Health and Welfare. Over the years 1971-72 to 1974-75, an additional £11 million would be allocated to provide new resources for the further developmer of health and welfare services, including hospital facilities particularly for th elderly and mentally handicapped.

Family Poverty. A Bill would be introduced to provide a new cash benefi payable from August 1971, to be called the Family Income Supplement Thi would be additional to existing family benefits and would be paid to poo families with children where the wage-earner was in full-time employment I would provide a maximum benefit of £3 for the poorest families of all, reducin to 4s at income levels roughly equivalent to supplementary benefit levels

Prescription Charges. The existing flat-rate charge would be raised to 4s pe prescription item. In due course measures would be introduced to relate prescrip tion charges more closely than hitherto to a proportion of the cost of th individual prescription, but with a ceiling on the amount of the charge

Ophthalmic and Dental Services Tests and examinations would continue to b free but charges for dental treatment would be related to about half the cost o the service provided. Charges for spectacles would be increased to include broadly, the cost of dispensing The present exemption arrangements woul remain unchanged, except that in due course the upper exemption limit fo dental charges for young people would be reduced from 21 to 18

Subsidised Welfare Milk This cheap welfare milk, now subsidised to the exten of 6d a pint, would cease to be available But the present arrangements for fre welfare milk would continue unchanged

Unemployment, Sickness and Injury Benefit Legislation would be introduced t end entitlement to this benefit for the first three days of absence from work The present arrangements had been rendered anachronistic by higher wages an benefits, together with better provision through sick pay and redundancy payments.

Exemption and Refund Level. In future the gross income levels for entitlement t free welfare milk and to exemptions and refunds of the new charges would b raised by amounts up to 30s a week so that remissions would cover mor families than before In this way protection would be extended to those wi incomes above the supplementary benefit level but still too low to bear th increased charges.

In no case would any new or increased charge have to be paid before 1st April 1971.

Miscellaneous

National Museums and Galleries. In common with most other countries and with the private sector admission charges would be introduced.

Passport and Consular Fees. The fee for a new passport would be raised to £5 and other related charges and consular fees increased.

Investment Grants: Depreciation Allowances

These grants would not be paid in respect of expenditure incurred after 26th October 1970, unless the applicant had incurred the expenditure under a ... by him on or before that date The ending of these grants would

present level of company profits and liquidity made it desirable that a large part of these savings be channelled back to the corporate sector and this would be achieved through the tax system The Government believed that a system of depreciation allowances was the best way of encouraging effective industrial investment.

Under the new system for the country generally there would be a new first-year allowance which would enable 60 per cent of the expenditure to be written off for tax purposes in the year in which the expenditure was incurred, and a standard rate of writing down allowance which would enable 25 per cent of the reducing balance of the expenditure to be written off successively in later years.

The new system would apply to expenditure incurred after 26th October 1970, on plant and machinery, except for expenditure on motor cars not now eligible for initial allowance and on assets in respect of which an investment grant was paid under the transitional arrangements.

The Chancellor also proposed to simplify the rates of writing-down allowance for expenditure incurred before November 1962.

In addition to concentrating as much as possible of the benefit of capital allowances at an early stage, these arrangements would represent a simplification of the present allowances system Provisions to implement these arrangements would be contained in the 1971 Finance Bill

Developing Areas. The Conservative Party manifesto had stated that there would be differential arrangements in favour of the developing areas. To encourage the location and expansion of manufacturing industry in the development areas, certain forms of capital expenditure for industrial purposes in those areas incurred after 26th October 1970 would receive free depreciation.

The assets covered would include immobile plant and machinery used in all forms of industrial processing, together with mining and quarrying, and construction and civil engineering

Free depreciation would not apply where an investment grant was paid under the transitional arrangements The service industries in development areas, together with mobile plant and equipment, would receive the new allowances that had already been outlined for the country generally.

In the 1970 Finance Act the initial allowance for new industrial buildings and structures had been raised to 40 per cent in the development and intermediate areas, and 30 per cent elsewhere, but these increases were limited to the period of two years ending April 1972 It had been decided to retain indefinitely the 40 per cent allowance for industrial buildings in the development and intermediate areas instead of allowing it to fall back to its earlier level in 1972 as the 1970 Finance Act provided

In addition to free depreciation for industrial investment in the development areas, a number of measures would be taken to extend assistance to those areas by grants and loans under the Local Employment Acts. In particular, the rates of building grants would be raised by 10 points to 35 per cent and 45 per cent and greater use would be made of infrastructure schemes assisted by grants under these Acts

These measures would be put in hand without delay, so as to give an early stimulus to growth in the development areas.

The total value of all these differential arrangements was expected to be no less than the total value of the differential arrangements at present in force. But the Government was confident that the new arrangements would prove more effective. It had thought it right to set these measures in train and it was continuing with its review of longer-term regional policies.

Ships. The termination of investment grants, except in respect of existing contracts, would apply to ships as to other assets. Capital expenditure on ships

equipment for scientific research, be the only assets which would qualify for free depreciation outside the development areas.

The proposals outlined would have implications for the proposed farm capital grant scheme and the horticultural improvement scheme The rates of grant for fishing vessels which were increased when investment grants were introduced would revert to their previous levels. Free depreciation for fishing vessels would continue.

The Government would be discussing with the Northern Ireland Government the implications of these changes for matters within their responsibility

Summing Up

The Chancellor then summed up the results of all the changes of policy which he had outlined to the House.

The net effect on the public expenditure plans for the next financial year, 1971-72, as they stood and were costed when the present Government took office was a reduction of about £330 million.

Some of the policy changes required extensive consultation and negotiations and time would therefore be needed to work out their full implications for expenditure in later years But so that the House might have some measure of their significance the Chancellor advised that by 1974-75 the total reduction in public expenditure which was expected from these changes was nearly £1,600 million, including the saving from the abolition of investment grants After allowing for the increased tax allowances for industry, there would be a net saving to public funds of nearly £1,100 million This meant that the Government's plans would be achieved within an average annual rate of growth in public expenditure, excluding investment grants, between 1971-72 and 1974-75 of 2·8 per cent, as compared with a rate of 3 5 per cent which previous plans would have implied.

Two White Papers summarised the public expenditure results for 1971-72 and 1974-75 and the proposed changes in capital allowances for industry. Further detail for the whole period would appear in the next annual series of White Papers on public expenditure.

CUTS IN TAXATION

The Chancellor stated that in the period ahead it would be necessary for a firm grip to be maintained on the growth of money and credit The changes which had been announced and which would now progressively be put into effect would mean that, instead of facing the depressing need to increase tax rates to finance the public expenditure programme, there could now be a looking forward to the prospect of tax reductions.

Corporation Tax

So far as companies were concerned, both the Confederation of British Industry and the Trades Union Congress had expressed to him their concern about the prospective level of investment; and it was the case that the trend of company profits had been downwards, and that in some sectors there was an inadequate cash flow.

It had been suggested that the most effective way of dealing with this situation would be to reduce company tax liabilities, which would generally fall due on 1st January next. These liabilities arose in respect of trading profits of the financial year 1969 for which the rate of corporation tax had been fixed in the 1970 Finance Act at 45 per cent. He proposed to reduce the rate to 42½ per cent

In cases where corporation tax for the financial year 1969 had already been paid at the old rate of 45 per cent, the reduction would be put into effect by way of repayment in due course. The net result of this reduction would be to improve the financial position of industry and commerce by £60 million in the current financial year and £90 million next year.

Income Tax

It was now 11 years since there had been a cut in the standard rate of income tax. In this speech he had announced a reduction in public expenditure which would total £330 million in 1971-72. As a consequence he had decided that, with effect from the earliest practicable date, 6th April next, the standard rate of income tax would be cut by 6d. A cut of 6d in the standard rate would cost the Exchequer about £315 million in the first year and £350 million in a full year.

The reduction in income tax and the reduction in public expenditure, taken together, would, therefore, be broadly neutral in their effect on demand in 1971-72.

The Chancellor believed that the whole House would agree that it was right to take action to break out of the depressing cycle of high taxation and low growth which had bedevilled Britain in recent years. These measures were designed to give the nation new impetus, new opportunity and new hope for the future.

Economic Problems and Policies

CHANCELLOR'S SPEECH AT MANSION HOUSE

In a speech at the Lord Mayor's dinner to the bankers and merchants of the City of London in the Mansion House on 15th October, the Chancellor of the Exchequer, Mr. Anthony Barber, reviewed the relations between the Bank of England and the Government, the City's contribution to the nation's prosperity and the economic policies of the British Government.

The speech was preceded by that of the Governor of the Bank of England, Sir Leslie O'Brien, and Mr. Barber began with a tribute to the Bank and its Governor. He said that all present would be well aware of the Bank's high standing in international circles and of the respect and affection with which the Governor was regarded. It was surely the case, he said, that this high standing and respect sprang in a large measure from the fact that the Bank, although an agent of Government for certain functions, was also an independent authority in its own right, and also because it was entitled to present its own views in public even when they differed in emphasis from those of the government of the day.[1]

The Achievements of the City

The City, no less than industry, was from time to time subject to criticism. So were governments. Sometimes the strictures were justified, but often he had felt that the rather sweeping and generalised criticism of the City had been either unfair or unfounded or both. Where there was cause for criticism, the present Government would be just as tough as its predecessors, but it was time that a wider section of the nation appreciated that it had cause to be grateful to those who worked in the City, because, by their accumulated knowledge and expertise,

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[1] Sir Leslie's speech had stressed the need for an incomes policy, as well as monetary and fiscal measures, in tackling inflation.

they made a massive contribution to the prosperity of the British people. The City had made a remarkable contribution to the growth of Britain's invisible earnings. Five years ago the country's net earnings from invisibles were around £150 million. In 1969 they were about £550 million. That was a great success story. Of course, the invisibles account covered a great variety of things and not only the activities of the City; but the City, and, indeed, many of those present, had played a leading part in that success story

The pundits scrutinised the figures of visible trade, month by month, with a morbid passion for the least sign of and change of direction in the nation' fortunes. By comparison, invisible earnings were relatively invisible This was partly because the high level of government overseas expenditure masked the very large positive contribution of the private sector Fortunately, public appreciation of the importance of invisibles had been increasing during the past year or so. The change had been due in no small measure to the efforts of the Committee on Invisible Exports, which had emphasised Britain's position over the past 170 years as a fairly consistent net importer of visible goods but a net earner on invisibles account. To take the most recent example 1969 ended with a deficit of some £150 million in visible trade, but with a massive net credit of just over £550 million on invisibles. As Mr Kleinwort [chairman of the Committee on Invisible Exports] had pointed out, more than one pound in every three earned abroad came from invisibles

The growth in invisibles was the result of several factors A considerable part of it, of course, reflected increased earnings from overseas investment Last year, for instance, credits accruing from private investment overseas were £200 million higher than in 1968 and a very large proportion of these earnings were ploughed back into overseas investment projects.

Then there had been the spectacular improvement in earnings from services of all kinds, such as shipping, civil aviation, and the tourist industries Last year alone earnings from visitors to this country increased by nearly £80 million But the fastest increase of all had been in the field of financial and allied services For the most part these were the earnings of the City of London In 1969 the earnings from these services were not far short of £300 million, almost three times the figure of only four years before -a magnificent performance

Moreover, by their wise management of portfolio investments abroad the financial institutions had contributed much to the increase in investment income and to the growth of British overseas assets So the City was a massive earner of foreign currency, Mr. Barber continued, and these earnings were won by skill and talent which, in many areas, were unmatched throughout the world This was partly the reason why, when he opened the European negotiations in Luxembourg, he believed that Britain could greet with confidence the opportunities and challenges which would come if the negotiations were successful

Economic Policies of the New Government

Mr. Barber then turned to the broader themes of the Government's aims and purposes and of the policies it meant to pursue People were, he said, somewhat sceptical of politicians who talked too much of principles But he believed, nevertheless, that the new Government did bring a distinctive attitude to their handling of affairs, and perhaps particularly to those economic and financial matters which were the prime concern of those present.

He started from the belief that the system best able to promote the broad economic and social welfare of the people of Britain was the system of free competitive enterprise. He believed that what was broadly termed economic freedom was essential to the wider political and social freedom which they valued, and that it was essential to the diffusion of power, to the prevention of autocracy and to the preservation and enlargement of personal choice and independence

He did not mean by this some crude absolutist adherence to the doctrine of *laissez-faire*. While there were, and would remain, many areas where, in the national interest, government intervention was right, the onus of proof rested on those who wished to enlarge and expand the role of the state. What the state did should not be taken for granted, but should be subject to continuous and searching scrutiny. Of course, the fact was that the decisions of government would always largely determine the framework within which others must work, and the background against which the decisions of industry itself would be made. But the Government's concern was to see that the powerful influence of government was exerted to create a climate in which free competitive enterprise could flourish, not to draw more and more power into the hands of the state itself.

There were those who believed that a large and growing public sector was an aid to economic management, because of the direct control it allowed of investment and consumption decisions. He believed, on the contrary, that by removing more and more economic activity from the pressures and sanctions of the profit motive, such a course bred an economy which became steadily less flexible in the face of change, less responsive to new demands, and less dynamic and vigorous in almost every way

What then were the practical conclusions to be drawn from this approach in considering the policies to be pursued? It was, to him, a depressing thought that public expenditure now accounted for 10s of every £ of the national income. By any standard, he believed that this was too high. It represented an extent and scale of state power and diminished personal choice going far beyond what was in the long run compatible with the preservation of a truly free society. The Government had therefore placed at the forefront of its programme the cutting of public expenditure, the reining back of state intervention and control in industry, and the reduction and reform of taxation. All this could not be done overnight, and no one should underestimate the size of the problem, or the difficult and often unpopular decisions which such a strategy would entail. But the Government was determined to carry the programme through.

When Parliament met again at the end of the month, he would be ready to report the results of the Government's review of pubic expenditure (see pp 947-55) This had been based not on a hasty search for short-term cuts but on a deep and searching re-examination of the activities of Government in line with the philosophy he had described, and that re-examination would continue.

In human terms, the Government's aim was greater freedom, greater choice, greater opportunity, and greater independence. In economic terms, it aimed above all at faster long-term economic growth. and by that he meant growth in the nation's capacity to produce For far too long now, Britain had been failing to achieve a sustained rate of growth comparable with that of almost every other advanced industrial country in the world. It had been trapped in a vicious circle, in which savings and investment had been depressed, productivity held down, and taxes forced up, and cost price inflation had become increasingly difficult to control. The Government had had to choose between deflation at home and deficit abroad In short, it had been a situation in which slow growth had become self-perpetuating.

No one could be more conscious than he was of how much depended on breaking out of this circle. And surely no one any more pretended that the nation's fundamental problems could be solved only by short-term manipulation The time had come to recognise that, whatever the merits of so-called fine tuning, the long-term solution depended not on tinkering with the tuning fork but on playing a new tune. The fact was that without the real new wealth which only faster growth could provide, hopes and plans in almost every other field would prove empty The problems were deep-rooted, and the solutions must reach down to those roots. This was the challenge the Government was determined to meet.

British Overseas Aid

GOVERNMENT REORGANISATION

The British Government has decided that, in order to unify ministerial responsibility for overseas policy, overseas aid should become the ultimate responsibility of the Secretary of State for Foreign and Commonwealth Affairs. This was announced in a White Paper, *The Reorganisation of Central Government*, published on 15th October (see pp. 933-8). As, however, the management of overseas aid is, in the words of the White Paper, 'a function distinct from the general conduct of foreign affairs and . it is important to maintain the valuable body of expertise and skill in aid administration which has been developed in the Ministry of Overseas Development and its predecessors', the development work of the unified department will be in the charge of a Minister for Overseas Development who will have, by delegation from the Secretary of State, full charge of his functional wing of the Foreign and Commonwealth Office.

The White Paper said that the Government had 'reviewed with particular care the future organisation of government in the aid field against the background of considerable public interest at home and abroad and of the need to engage the private sector of industry, commerce and finance to a greater extent than hitherto'.

The present Minister, Mr Richard Wood, has been appointed Minister for Overseas Development. He will be assisted by a Parliamentary Under-Secretary of State, Mr. Anthony Kershaw. The overseas development administration of the Foreign and Commonwealth Office will be staffed by home civil servants, as has been the case with the Ministry of Overseas Development, and provision for secondments in both directions with the Diplomatic Service will also continue. The transformation of the Ministry of Overseas Development into a functional wing of the Foreign and Commonwealth Office will be effected by Orders in Council approved by Parliament.

THE AID PROGRAMME

Under the title *An Account of the British Aid Programme*, the text of the British memorandum presented in May 1970 to the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) (see pp. 970-1) was published on 30th September.[1] Prepared by the Ministry of Overseas Development, the memorandum provides information about Britain's overseas development activities in the calendar year 1969[2] with special reference to aspects which the DAC regards as immediately relevant to its purposes.

British Aid Policy

The memorandum began by summarising developments since the decision made in 1968 that, despite the difficulties in the economic situation, the basic aid programme should be maintained. These included the announcement on 27th November 1969 of an increased aid programme in cash terms for each of the years from 1971-72 to 1973-74 [see 2.1.70 p. 30]. In the Commons debate on 28th November 1969 [see 2.1.70 pp. 32-6] the aid programme had received support from all the parties and similar all-party support had been expressed

[1] HMSO, 2s 6d. A detailed statistical account of British aid is provided in *British Aid Statistics, 1964 to 1969*, published in August, HMSO, 40s [see 25.9.70 p. 828].
[2] For activities in 1968 see 12.9.69 p. 811.

when the House of Lords had held a debate on the Pearson and Jackson reports on 4th March 1970.

Although net private flows in 1969 had been higher than in the previous year, private investment had continued to be subject to restriction. Developing Commonwealth countries, however, had continued to enjoy a preferential position.

In the field of trade, Britain had submitted to the OECD a liberal illustrative offer in relation to the proposals for a scheme for generalised tariff preferences for manufactures and semi-manufactures from developing countries. In July 1969 the Government had announced that it was proposed from the beginning of 1972 to change from a quota to a tariff system (at 85 per cent of the most-favoured-nation rate) for the import of cotton textiles from developing Commonwealth countries.

The basic aim of the aid programme had remained unchanged. Priority had continued to be given to the reasonable needs of the dependencies, to the provision of technical assistance and to multilateral aid. The more selective approach to the provision of personnel under the various technical assistance arrangements had been maintained. Britain had played its part in the second replenishment of funds of the International Development Association (IDA) and had taken a leading part in discussions on the third replenishment [see 14.8.70 pp. 735-6]. In March 1970 the then Minister of Overseas Development had announced that Britain was prepared to consider taking over from 1971-72 the cost of pensions earned by expatriate staff for pre-independence service in former dependencies.

The British Government had welcomed the report of the Pearson Commission published in October 1969 [see 7.11.69 pp. 1004-7], and had broadly welcomed the overall strategy contained in it, though not all the detailed recommendations were considered acceptable. Britain was playing a full and constructive part in the international discussion of the Jackson Study of the United Nations development system [see 1.2.70 pp. 155-61] as well as of the Pearson Report.

Following this summary the memorandum reviewed various aspects of Britain's aid programme and was in this respect complementary to *British Aid Statistics*.

Distribution of Aid

As in 1968, there was in 1969 some fluctuation in the figures for various types of disbursement. While there was a reduction in bilateral grants (from £47 million gross in 1968 to £43 million in 1969) and loans (from £96 million to £93 million), the continued increase in technical assistance (from £99 million to £105 million) reflected the importance attached to this form of aid. Priority was accorded to the provision of assistance through multilateral channels, but the substantial increase in multilateral financial aid (from £13 million to £25 million) was mainly due to advance payments made to the IDA pending ratification of the second replenishment.

The geographical distribution of gross bilateral development assistance and other official flows in 1969, as compared with the two previous years, is given in Table I.

In Africa there was a reduction of £5.1 million in assistance to Zambia in 1969, due to the cessation of contingency aid in connection with the illegal declaration of independence by Rhodesia. A reduction of £2 million for Mauritius resulted from a change in the basis of aid from grant to loan after independence in March 1968. An increase from £3·7 million to £4·4 million for Swaziland was due to drawings of budgetary aid in respect of two financial years being made within the calendar year 1969. Aid to non-Commonwealth

In the American region an increase in aid to Trinidad and Tobago from £0·7 million to £1·9 million was accounted for by increased investment by the Commonwealth Development Corporation (CDC). British Honduras also received a small increase, and aid to non-Commonwealth countries in the region rose from £1·6 million to £3·5 million.

TABLE I
GEOGRAPHICAL DISTRIBUTION OF BILATERAL DISBURSEMENTS (GROSS) *£ million*

	1967	1968	1969
Europe	13	13	8
Africa	70	74	63
America	14	16	19
Asia	83	76	72
Oceania	4	6	8
Others	5	7	9

Major increases in Asia were for Singapore (£4·5 million), where the programme of special aid began effectively in 1969; Pakistan (£1·6 million) resulting from increased disbursements on the Tarbela Dam, and Indonesia (£1·2 million), where British aid has been growing at a modest rate since the resumption of normal relations in 1966. Reductions concerned India (£6·1 million), due to the phasing of repayments, Malaysia (£3·1 million), due to a number of factors, including reductions in CDC investments and payments to the Malaysian Development Fund; and the Indus Basin Fund (£2·2 million) due to phasing of the fund's drawings.

The memorandum stressed that fluctuations in the rate of annual disbursements to particular countries do not necessarily result from any change of policy towards those countries. Commitments of British aid are often made for a period of years and the level of annual disbursements may depend on a number of factors, including the type of aid involved (e.g. project aid or programme aid).

Financing of Aid

An explanation of the procedures for the financing of aid was given in the memorandum. The money required for the aid programme is obtained mainly by annual provision by Parliament on the basis of estimates of expenditure presented to it. The total of the estimates has finally to reflect the allocation for the aid programme as a whole as determined by the Government in annual reviews of future public expenditure [see 2.1.70 pp. 18-22 and pp. 30-31]. Parliament is not asked to approve a sum of money for the aid programme as a whole. Approval is sought for particular items in the total for the financial year in question by including them in the annual estimates of expenditure required by the Minister responsible. The estimates have to be approved by the Treasury and are presented to Parliament by a Treasury Minister. The expenditure is ultimately approved by Parliament in the Appropriation Act. Since the presentation of aid proposals to Parliament is related to individual estimates of money required by the Minister responsible, any justification or explanation of a particular proposal is given by that Minister.

Public Opinion

The memorandum noted the increased public and Press interest in 1969 in world poverty and development assistance. Factors thought to have contributed to this included campaigns organised by voluntary societies to urge the Government not to cut aid; the publication of the Pearson Commission report, the welcome given to it by the Government, and good coverage by the Press; the announcement by the Government of its future programme of expenditure on aid, which projected an increase each year up to March 1974; a national 'sign-in' concerning aid; public controversy over the desirability of charitable societies becoming involved in political pressure for more aid; and the increased concern of many young people, especially students, about world poverty.

Nevertheless, aid for development had yet to become a matter of widespread concern among the public, and disruptive events in developing countries, coupled with publicity in connection with immigration and racial problems, had tended to harden the opposition of some sections of the public to overseas aid. On the other hand, the political parties, in their guidance and policy material, were paying more attention to development assistance than in the past. Newspapers, radio and television had given more coverage than previously, most of it favourable, and a significant part in arousing the interest of the communications media had been played by the information department of the Ministry of Overseas Development.

Terms of Aid

Of the total gross disbursements of £211 million in 1969, 56 per cent was in grant or grant-like form (i.e. including technical assistance and contributions to multilateral agencies), 30 per cent was on interest-free terms, and 14 per cent was in loans at market rates of interest, including 6 per cent in the form of overseas investment by the CDC. The proportion of government interest-bearing loans carrying a waiver on interest for varying periods (thus in effect reducing considerably the nominal rate of interest) was 38 per cent. Overall, the terms of government-to-government loans disbursed in 1969 provided a weighted average grant element of 66 per cent.

New bilateral loan commitments entered into in 1969 totalled £110 million; 91 per cent was interest-free, most of the remainder carried a waiver of interest, and 99 per cent carried a grace period for capital repayments.

Britain complied fully in 1969 with DAC recommendations on terms of aid, in respect of both the alternative targets set—by providing 89 per cent (against the target of 85 per cent) of official development assistance commitments with a grant element of at least 61 per cent for each transaction, and by attaining an overall average grant element of 89 per cent (against the target of 85 per cent) in 85 per cent of its official development assistance commitments. The basic concept of British policy towards the terms of government-to-government aid loans continued to be one of adapting these terms to meet the economic circumstances of the recipient country, taking especially into account income per head and existing debt service liabilities.

(In July 1970 a new pattern of interest rates was introduced for official development assistance loans. The bulk of these loans will continue, as at present, to be interest-free, but in cases where new loans bear interest it will no longer be at the government lending rate, softened where necessary by waiver of interest, but at fixed concessionary rates ranging from 2 per cent to 7½ per cent. This will give greater flexibility in terms of British lending to countries for which interest-bearing loans are considered appropriate and greater ability to match the terms of these loans more closely to those provided by other DAC members. One of the variants in the new range of terms will provide for a 2 per cent rate of interest, with maturity of 25 years and a grace period of 7 years, giving a grant element of

61 per cent. These terms are identical to those recommended at the second UNCTAD, in the DAC terms recommendation of 1969 and in the Pearson Commission report.)

The major 're-financing' operation in 1969, as in the previous year, was a further interest-free loan to India amounting to £7·5 million (with a maturity of 25 years and a seven-year grace period) to reimburse the Government of India for certain repayments of capital and interest made on a number of aid agreements dating from the years 1958 to 1962. This re-financing was part of Britain's annual contribution towards a multilateral scheme sponsored by the Aid India Consortium to alleviate the burden of debt servicing on the Indian balance of payments. The effect of the scheme is to release the equivalent amount of free foreign exchange which can then be applied to the purchase of essential imports; this is considered to be one of the most useful ways in which donors can help the development of India

Procurement Policy

The memorandum stated that Britain was ready to participate in any measures for liberalising procurement practices which may be organised on a joint basis by all DAC members. The proportion of British bilateral aid contractually tied to British goods and services in 1969 (excluding the cost of technical assistance and other items such as aid for pensions and re-financing) was 43 per cent, compared with 45 per cent in 1968 Taking into account the further procurement in Britain arising from bilateral aid but not always specified in advance, the estimated total of effective tying and procurement in 1969 was 54 per cent, as against 58 per cent in 1968

Substantial flexibility is allowed for developing countries which lack resources to cover the local costs of developments aided by Britain For the dependencies the Colonial Development and Welfare (CD & W) grants and loans provided waivers of procurement restrictions to allow specified categories of goods to be obtained from third countries where prices were more favourable Similar arrangements have been made in respect of alternative aid finance for dependencies following the expiry of CD & W Acts on 31st March 1970 [see 22.5.70 p. 501]. Budgetary aid, of which Britain provided £15 million in 1969 cannot be formally tied, but the arrangements with the recipient countries are that they will procure in Britain from expenditure supported by this type of aid except where it would be clearly uneconomic to do so There is no formal requirement that CDC investment should be used only on British goods and services; in practice CDC operations in 1969 resulted in procurement in Britain amounting to nearly £12·5 million

Britain gives no official export credits and does not regard guaranteed private export credits as pertaining to the official aid programme or as being susceptible to any compatible approach in terms and conditions

Aid Administration

The Overseas Aid Act 1966 gives statutory authority for the provision of development assistance. The total number of staff concerned with aid administration in London has remained at about 1,500 in recent years.

The British Government also acts through, or assists, a number of other organisations working in the development field, such as the Inter-University Council for Higher Education Overseas, which has been given more responsibility in dealing with aid to universities, and the new Centre for Educational Development Overseas (CEDO) [see 24.4.70 p. 435]. The memorandum mentioned the closer relationship being established with the British Council in order to ensure that developing countries obtain the greatest possible benefit from British educational aid and training activities.

Aid management overseas is undertaken primarily through diplomatic missions, with the assistance of visits from specialist advisers and other staff in London and the Development Divisions in the Middle East and the Caribbean. The memorandum stated that the provision of more specialist support overseas was being considered in the context of an expanding aid programme.

All proposals for project aid of £250,000 or more are considered by a standing official Projects Committee to ensure uniformity in the appraisal of financial and economic considerations, and technical advisers are given continuing responsibilities in relation to projects in process of execution.

Regional Institutions

The memorandum regarded regional development banks as of increasing importance in the international aid effort. Britain was anxious to play its part in supporting them in appropriate cases and to use their special knowledge and experience of their regions. It was hoped that multilateral aid through regional banks would continue to increase.

The British Government has subscribed to the capital stock of the Asian Development Bank, and in April 1970 announced the intention to make a contribution of at least £6 million to its multi-purpose special fund. Britain is also a member of the recently-established Caribbean Development Bank, holding 20 per cent of the equity, and has promised a contribution of £2 million to its special fund when this is set up. Britain is not a member of the African Development Bank, which is open only to African states, nor of the Inter-American Development Bank, which is open only to members of the Organisation of American States; assistance to these institutions has therefore taken other forms.

Recognising the importance of regional economic co-operation between developing countries, Britain has provided significant help both to create and to support some regional institutions, in the belief that any regional economic development should, as far as possible, be organised to lead to a greater volume of trade, rather than merely to a redistribution of existing trade to members of the trading group at the expense of outsiders. Britain was willing to consider ways in which it might be able further to assist regional co-operation and integration and was ready in principle to assist the sub-regional development banks in East Africa and Central America in appropriate ways, the memorandum stated.

Commonwealth Development Corporation

Until 1969 the Commonwealth Development Corporation (CDC) could operate only in Commonwealth countries. The memorandum recalled that new legislation was enacted in 1969 empowering the CDC to invest, with the prior consent of the responsible Minister in each case, in any developing country, and that at the same time the corporation's borrowing powers had been increased to £225 million [see 17.7.70 p. 661].

The normal rate of interest on government loans to the CDC has been mitigated since 1965 by waiving interest for the first seven years on a proportion of the corporation's borrowings. In 1969-70 the proportion was approximately 65 per cent, compared with 50 per cent in 1968-69.

Co-ordination

Britain attaches high importance to aid co-ordination, whether through the DAC or among donors of aid to particular countries through consultative machinery such as the consortia and groups organised by the World Bank and the OECD. Britain is a member of consortia sponsored by the World Bank for India and Pakistan, and of the ten consultative groups and one aid group managed by the World Bank. It also participates in the Ghana, Indonesia and

Guyana aid groups. Britain supports the formation of new consultative groups, where appropriate and acceptable to the recipient countries concerned. The memorandum took the view that these groups should become more closely involved with the technical assistance (especially pre-investment) efforts of their members, as these relate to capital aid; in this process the resident representative of the United Nations Development Programme (UNDP) would no doubt increasingly take part.

Britain is taking an active part in discussions in the UNDP Governing Council, in the context of the Jackson Report, of proposals for programming UNDP—and, if possible, other—non-capital inputs from the UN system under the leadership of the resident representative with the government concerned. It is recognised that any extension of such arrangements is for the government concerned to decide, but Britain has expressed willingness to intensify its co-operation in respect of its own technical assistance programme if other major donors will take similar action.

Technical Assistance

The functional distribution of technical assistance in 1968 and 1969 is shown in Table 2.

TABLE 2

TECHNICAL ASSISTANCE FUNCTIONAL DISTRIBUTION *£ million*

	1968	1969
Students and trainees	7 0	8 1
Experts	24 2	23 7
Consultancies	1 0	1 5
Volunteers	0 7	0 8
Equipment	1 3	1 4
Surveys	1 7	1 6
Research	2 7	3 1
Other	2·6	2 4

The British Government helps to maintain some 15,000 persons serving overseas. A Manpower Planning Unit collects and studies information made available by overseas governments, international organisations and other donors about the manpower needs of developing countries and sources of supply of professional and technical staff. This information is used to work out priorities within the technical assistance programme.

Recruitment of Experts

The demand for staff for overseas appointments continued at a high level in 1969, with increasing emphasis on posts of higher developmental value. The decrease in the number of appointments under the Overseas Service Aid Scheme (under which the British Government supplements local salaries and allowances) to operational posts in the service of overseas governments continued, with 110 fewer appointments than in 1968.

The greatest number of appointments was in the field of education; about 1,000 have been made in each of the past three years. The composition of this

figure has been changing, however, with a reduction in the number of primary and secondary school teachers and an increase in technical and vocational teachers. The distribution has also been changing, the number of appointments to East African countries falling by some 200 and those to Zambia rising by more than 1,000. The Kenya Government has stressed its need for teachers at 'Advanced' level and in technical education. The demand is increasingly for trained graduate teachers and also for advisory staff

Arrangements for secondment exist in most fields of public employment and people are regularly recruited for a tour of overseas duty on terms that allow them to return to their previous employment without loss of seniority or pension rights A number of posts in selected professions have been added to the establishments of certain government departments and universities in Britain to facilitate the release of staff for periods of temporary service overseas. Some specialist appointments are by contract for periods of up to ten years, the aim being to keep officers continually employed overseas during the period of contract; members of this corps of specialists have valuable specialist knowledge of overseas conditions and problems, particularly in central administration and finance, agriculture and engineering.

The number of people employed by overseas governments or public bodies under agreements whereby the British Government contributed towards their pay and terms of service stood at approximately 12,000 at the end of 1969. The cost in 1969 was more than £17 million

Assistance with Pensions for Expatriate Staff

It was announced on 17th March 1970 that as part of its policy of aid to development the British Government was willing, at the request of any overseas government concerned, to consider meeting that government's responsibility for the cost of pensions to expatriate officers in respect of pre-independence service. In view of the developmental character of these payments the cost would be borne on the British aid programme and the assumption of such a responsibility would be taken into account in determining the total amount of aid a country might receive for all purposes, having regard to needs and the funds available in the aid programme.

In general, the British Government would be willing to assume responsibility for current costs from 1st April 1971, by way of annual reimbursements of the amounts involved (which might total up to £12 million a year) to the governments concerned. Outstanding commutation and compensation loans would also be covered and annual payments of principal or interest due after 1st April 1971 would be waived; the total amount involved in this waiver would be some £50 million over a period of 22 years.

Consultants

Firms of consultants and other organisations were engaged during 1969 to carry out 51 feasibility and pre-investment studies. The projected schemes studied included land reclamation and irrigation in Colombia; airport development in Grenada and Botswana; the development of port facilities in Grenada, Dominica, St. Lucia, Sarawak, British Honduras, Brazil and the Seychelles; water supply schemes in Cyprus, Ghana, Botswana and Jamaica; potential export industries in Thailand; mechanised coal extraction in Brazil; irrigated agriculture in Fiji; the development of ground water resources in river basins in Pakistan and Thailand; drainage and sewerage in a large town in Ghana; shipbuilding and repair in Chile; site planning for an English language centre in Thailand; and tourist industries in the Seychelles, Gibraltar and Guyana.

In addition there were 29 other engagements to provide specialised advice assistance. These concerned such matters as the replacement of timber railway

bridges in Thailand, rights to exploit petroleum resources in Tonga, the installation and operation of electricity generating plant in Ethiopia, the financial and accounting operations of an industrial holding company in Ghana, a survey of currency requirements in Indonesia, road construction management in Sierra Leone; and the utilisation of plant held by government departments in Lesotho.

Education and Training

A review of British aid to education in developing countries was undertaken in 1969 and has subsequently been published as a White Paper *Education in Developing Countries*[1] Another review undertaken had the object of making the fullest possible use of the resources of the British Council [see 30.1.70 pp 93-6] in the administration of aid to education. The British Council is participating in a review of the working of the Commonwealth Teacher Training Bursary Scheme, which has now been in existence for ten years. The possibility of increasing aid for teacher training, through the further development of links between British and overseas institutions and more flexible arrangements for the supply of teacher trainers and the exchange of visits, is also being considered.

A record number of non-Commonwealth countries, including Cameroon, Togo, the Malagasy Republic, Thailand, the United Arab Republic and Bahrain were among 26 countries participating in Britain's tenth annual Teacher Vacation Course programme in 1969. Under this programme intensive courses lasting about three weeks are held in overseas countries to assist teachers to improve their techniques and widen their knowledge of the latest developments in curricula, particularly in science and mathematics. Over 3,000 overseas teachers took part.

Further improvements in the field of the supply of books included the extension of the scope of presentations to educational institutions in developing countries, whose own books industries were assisted by the appointment of a Bookseller Training Officer, financed jointly by the British Government and the Book Development Council. The provision in London of training in textbook production was continued. Some 840,000 educational books printed under the government-subsidised Low-Priced Book Scheme (English Language Book Society) were sold in the 45 developing countries included in the scheme, making a total of 5.5 million copies sold since the inception of the scheme in 1960.

The memorandum also referred to the establishment of the Centre for Educational Development Overseas (CEDO) in April 1970 [see 24.4.70 p 435].

There was in 1969 a further small increase in the number of overseas trainees financed from public funds in Britain and the number of new arrivals was over 3,000 for the first time. The main criteria for their selection are that the trainees are likely to contribute significantly to the economic and social development of their countries; that suitable facilities are not available locally or in adjacent countries; that the training should qualify recipients for greater responsibility, make them significantly more efficient or enable them to train others; and that the training should not provide a basic qualification or skill, but should be at postgraduate or senior level.

Science, Technology and Research

The memorandum described certain research work done in 1969.

The Tropical Products Institute tried out in Kenya an economical machine of its own design for cracking cashew nuts, installed a groundnut decorticator in the Malagasy Republic, undertook a study of the processing of bay oil for Dominica, and prepared a report for Kenya on the market prospects for horticultural commodities in Western Europe.

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[1] HMSO, 3s 6d. The review will be summarised in a later issue

In a joint project with Loughborough University the Anti-Locust Research Centre (ALRC) demonstrated how an easily-available commercial radar set could detect both single locusts and swarms over a significant range. The set could probably be used to detect other insect pests and birds. The ALRC team studying the army worm in East Africa worked out the movements of the moth to the extent of inaugurating an experimental forecasting system with the aim of controlling outbreaks at an early stage.[1]

The Tropical Section of the Road Research Laboratory completed a study of the relative costs and benefits of alternative road routes in St Lucia and a survey of materials for making a 70-mile road in Nepal. Lecture courses were given in Nairobi and Bangkok.

The Overseas Division of the Building Research Station produced a publication entitled *Roofs for Warm Climates* dealing with the design and construction of flat roofs for the tropics.

Government funds were provided for the building of a Centre for Tropical Veterinary Medicine at the University of Edinburgh's Royal Dick School for Veterinary Studies. Besides carrying out research and research training for the benefit of developing countries, the centre will offer diploma courses in tropical veterinary medicine for overseas students.

Support is being given to a number of agricultural research projects, mostly in Africa and the Caribbean, some of them based on collaboration between scientists at home and overseas. These include research on beans being carried out jointly by the Universities of Makerere and Cambridge, work on leaf-eating ants by the University of the West Indies and the University College of North Wales, and a study on the biology and ecology of fish in the Kainji lake in Nigeria by the Universities of Ife and Southampton in collaboration with a Food and Agriculture Organisation team.

Population Problems

The memorandum mentioned the work of the Population Bureau, set up by the Ministry of Overseas Development in 1968, which studies the requirements of developing countries for assistance in dealing with high rates of population growth and providing family planning services. Britain is making increased grants to multilateral agencies in this field: £200,000 to the International Planned Parenthood Federation in 1970-71 (the second successive year in which the grant will have been doubled), £400,000 to the UN Fund for Population Activities (£150,000 in 1970-71 and the balance the following year), and £25,000 to the Development Centre of OECD towards its activities in the field of population in which British representatives participate. New projects financed by the British Government include a fertility research unit and an MSc training course in medical demography at the London School of Hygiene and Tropical Medicine, and a research study of the psychological effects of male sterilisation.

Agriculture

In accordance with a policy of intensifying aid to agriculture, Britain has continued to supply financial aid and technical assistance (including research, training and the supply of skilled staff) to a large number of countries over a wide range of activities. These include animal health, fisheries, forestry, land and water development, co-operatives, marketing, economic studies, natural resources planning, the provision of credit, plant and animal breeding, soil fertility studies, crop production research, agricultural education and extension

[1] For further information about the ALRC see COI Short Note *The Anti-Locust Research Centre* R SN 5878/70

work, farm management studies, and processing. In addition, increasing attention is being given to the broader problems of rural development

At the same time particular projects of an integrated kind are supported. An example is the Uganda Seed Multiplication Scheme, a pilot project for producing improved seeds on a commercial basis and for determining the requirements of a national seeds scheme. Britain is providing financial aid for works and equipment and technical assistance mainly by way of skilled staff and advisers. The scheme is seen as an important step in bringing the results of research to farmers and making a valuable contribution to rural development through the provision of improved seeds on which crop diversification will depend. Complementary activities to be undertaken involve extension services, marketing facilities and storage.

Another project being assisted by Britain is the Cotton Development Centre at Tak Fa in Thailand, which is concerned with developing, and later demonstrating, the best farming systems based on cotton as the principal crop. Britain has already provided about £100,000 and expects to contribute over £300,000 more towards the costs of buildings, equipment, personnel and training. Advice is also being given on cotton marketing procedures, ginning techniques and fibre and spinning technology.

Food Aid

The calendar year 1969 covered parts of the first two harvest years of the Rome Food Aid Convention under which Britain has an annual obligation to provide 225,000 metric tons of grain, or cash for its purchase, for the benefit of developing countries. The British contribution for the first harvest year was wholly in cash and resulted in the purchase of the equivalent of 263,510 tons of wheat, of which 182,747 tons were bought from Argentina, the only developing producing country which is a party to the convention. The allocation for the second harvest year has involved grants of £1·2 million to India, nearly £1 million to Ceylon, £0·6 million to Indonesia, and £0·5 million each to Pakistan, Peru, Nigeria and Mauritius. In addition, about £1·2 million has been offered to the World Food Programme, partly in cash and partly in flour from Britain; this offer is accompanied by a cash offer of £240,000 to cover transport costs and is additional to the British pledge of £1·24 million to the World Food Programme for the calendar biennium 1969-70.

Commonwealth Programme of Technical Assistance

Britain participates in the Commonwealth Programme of Technical Assistance, which was established in July 1968. Co-ordinated by a group of four experts in the Commonwealth Secretariat, the programme is financed by Britain, Canada and New Zealand. Technical assistance needs are met under bilateral arrangements or by third-party financing, under which an expert from one Commonwealth developing country can serve in another developing country with a donor member of the Commonwealth meeting all or part of the cost.

The programme is designed to assist developing countries to meet planning rather than operational technical assistance needs. Over 20 advisory missions have so far been undertaken by the four headquarters staff. When the programme was reviewed by Commonwealth governments in September 1969 it was agreed that it had been a significant success. Proposals by the Commonwealth Secretariat to extend it are under consideration by Commonwealth governments.

Private Investment

Britain continues to invest on a large scale in the developing world and prior to the introduction of corporation tax in 1965 the fiscal system provided a

positive incentive to overseas investment. Special measures were required, however, to minimise the short-term burden on Britain's balance of payments and reserves resulting from financing overseas investment, and corporation tax rendered the position more nearly neutral as between investment at home and abroad. This was the aim, the memorandum stated, of the exchange control policy applied to countries outside the sterling area, and of the voluntary programme introduced in 1966 in respect of the developed countries of the sterling area. It had not been possible during 1969 to ease any of these restrictions. The restrictions, however, did not apply to the developing Commonwealth countries in the sterling area.

The contribution of the private sector to the flow of resources from Britain to less-developed countries over the last four years is shown in Table 3.

TABLE 3

PRIVATE INVESTMENT IN LESS-DEVELOPED COUNTRIES *£ million*

	1966	1967	1968	1969*
Net private investment	95	75	80	156
Net guaranteed private export credits	48	64	63	111
Totals	143	139	143	267

* Revised figures for 1969, published since the memorandum was prepared

Private investment is regarded as complementary to official aid One of the main purposes of aid is to build up infrastructure in both physical and administrative capacity, thus helping to create the environment in which private investment can make its characteristic contributions to development through the creation of physical wealth and the communication of skills.

Britain participates in joint enterprises combining investment in public and private funds in industrial and other undertakings Some British operations involve providing funds to national or regional development banks for use in conjunction with private capital The Commonwealth Development Corporation uses a large proportion of its resources to invest in co-operation with private enterprise, and channels some of its funds through development banks Recent examples of projects financed jointly by the corporation and British companies in the private sector include schemes to develop an export industry for fruit and vegetables in Barbados, to reorganise the internal road transport system in Zambia, and to expand a textile printing factory in Ghana. In all three of these projects a substantial investment is also held by the local government or local private interests.

Voluntary Bodies

Grants for overseas development by voluntary societies in Britain (including churches and missionary societies) are substantial The 1969 total was still being estimated, the memorandum said, but was unlikely to have been less than the £17 million estimated for 1968. Assistance covered the fields of agriculture, health, nutrition, education and training, and, to a lesser extent, emergency relief

Co-operation between the voluntary organisations and liaison with the British Government is effected through the Voluntary Committee on Overseas

Aid and Development and similar co-ordinating committees in Scotland and Northern Ireland. The British Government contributed £9,000 to the work of the committees in the financial year 1969-70 and it is expected that over £10,000 will be contributed in 1970-71.

DEVELOPMENT ASSISTANCE COMMITTEE OF OECD

The OECD, established by a convention in Paris in December 1960, is the principal forum for consultation at both ministerial and official levels on economic issues of common interest to its members, who comprise most of the European and other developed countries. Its work embraces broad aspects of the world economy and its aims include the promotion of policies contributing to sound economic expansion in non-member countries in the process of economic development.

The DAC, one of the OECD's several specialist committees, is concerned with the volume and effectiveness of resources made available to less developed countries. Members periodically review together the amount and the nature of their contributions to aid programmes, bilateral and multilateral, and consult on other aspects of their development assistance policies. The British memorandum is a contribution to this process of review.

Participating in the work of the DAC are Australia (not a member of the OECD), Austria, Belgium, Britain, Canada, Denmark, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, Switzerland, the United States, and the Commission of the European Communities. Some 91 per cent of the net public and private sector flows to the developing countries in 1968 came from members of the DAC. Most of the remainder came from the multilateral agencies, which are largely financed by DAC member countries.

Ninth High-Level Meeting

The ninth annual high-level meeting of the DAC took place in Tokyo on 14th and 15th September [for the previous meeting see 30.1.70 p. 115]. In his annual report to the committee the chairman, Mr. Edwin M. Martin, stated that there had been an acceleration in the average GNP growth rates of the developing countries since 1950 and that, according to the latest data, the global growth rate in 1969 had probably exceeded 6 per cent, although the continued increase in population meant that the *per capita* growth rate was only about 3 [illegible] per cent. The chairman stressed the importance of rapid and effective action in the fields of employment, income distribution, education, nutrition and family planning.

The total net flow of financial resources from DAC members to developing countries and multilateral agencies had reached $13,500 million in 1969, as against $13,200 million in 1968. Increases in the flow from most member countries had been partially offset by a decline in the net flow from the United States. Net official development assistance had increased by 4 per cent, from $6,400 million in 1968 to $6,700 million in 1969. Net private flows had increased by 3 per cent, from $6,000 million to $6,200 million.

Matters discussed by the meeting included the possibility of fixing a date for the achievement of the 1 per cent target for total flows of resources and of adopting a separate target for official aid. There was general awareness of the need to increase the flow of resources, both public and private, in order to ensure the success of the second UN Development Decade, and also of the need to improve the quality of official aid.

It was agreed that improvement could be achieved by increasing the grant element of assistance and by rapid progress towards untying aid. Members accepted the principle that contributions to multilateral institutions should not

be tied and agreed that untied contributions should be increased. As for bilateral aid, for the first time a large majority of members declared themselves prepared in principle to adhere to an agreement to untie their bilateral financial development loans. They agreed to enter into discussions in the DAC on an urgent basis on the technical problems of implementation and to prepare a detailed scheme for consideration by governments. Other members, some of whom had already untied substantial portions of their aid, were not in a position to commit themselves on the principle or the urgency of such a scheme; while they were prepared to participate in further discussions, they stressed that any such scheme should take into account their special circumstances and the composition of their aid. All members agreed that untying measures should be devised in such a way as to minimise the risk of reducing the volume of their assistance programmes. Further study would be required in which account should be taken of the principle of reciprocity and the desirability of as wide participation as possible.

BRITISH CONTRIBUTION TO UNDP

At the United Nations Development Programme (UNDP) pledging conference in New York on 29th October, Britain pledged a contribution of £6 million for 1971 (£100,000 more than the contribution for 1970). Also, recognising the importance of the UNDP as the focal point of the UN development system, the British Government has given a pledge of continued support at not less than the 1971 level for the succeeding two years.

The increased pledge takes account of the special request of the UNDP for funds to enable it to participate in reconstruction programmes made necessary by such natural disasters as the earthquake in Peru in May 1970. Provided that the UNDP can demonstrate its capacity to spend money effectively, the British Government plans to provide, within the limits of its aid programme resources, a steadily rising level of contributions over the next few years.

Total British contributions to the UNDP and its predecessors amount to £51.75 million. British experts serving in the field on UNDP projects in 1969 numbered 1,241. UNDP Fellows studying in Britain numbered 459, bringing the total since 1950 to almost 7,000.

The UNDP was created at the beginning of 1966 by a merger of the former UN Expanded Programme of Technical Assistance and the UN Special Fund. It helps developing countries to carry out high-priority projects within their governments' development plans. The recently announced World Bank loan of $30 million for road construction in the Peruvian disaster area is based on the results of an emergency survey financed by the UNDP. The UNDP also makes financial contributions towards the establishment or strengthening of training and research institutes, such as the International Wheat and Maize Improvement Centre in Mexico. In 1969 the UNDP was assisting more than 650 large-scale projects and about 2,500 smaller ones. Over 60 per cent of the cost of the larger projects is borne by the developing countries in accordance with the concept of maximum self-help on which UNDP assistance is based.

Further discussions of the Jackson proposals [see 13.2.70 p. 155 and 14.8.70 p. 734] are to be held at a meeting of the UNDP Governing Council in New York in January 1971.

FINAL RETURN OF CD & W SCHEMES

The final return of schemes made and loans approved under section 1 of the Colonial Development and Welfare (CD & W) Acts [see 22.5.70 pp. 501-4] up to 31st March 1970 has recently been published (HMSO, 4s). A summary by

class of schemes of grants and loans approved since 1st April 1946 is given in Table 4.

In addition, research grants up to 31st March 1962 totalled £21,123,338. Of this, approximately £7·6 million was devoted to agriculture, £3·5 million to medicine, £1·9 million to pesticides, £1·9 million to tsetse and trypanosomiasis, £1·6 million to fisheries and £1·4 million to social science; the remainder went mainly to products research, locust control and economic research. Grants

TABLE 4

CD & W SCHEMES APPROVED 1st APRIL 1946 to 31st MARCH 1970

£ sterling

Class of scheme	Grants	Loans	Total
Administration and organisation	4,888,831	3,207	4,892,038
Physical planning, survey and census	17,836,913	--	17,836,913
Communications			
Civil aviation	10,141,749		10,141,749
Ports, harbours and water transport	8,262,714	1,661,667	10,924,381
Railways	799,770	-	799 770
Roads	57,995,493		57,995,493
Telecommunications	1,320,612		1,320,612
Economic			
Agriculture and veterinary	39,505,893	1,344 949	40,850,842
Fisheries	1 767,878	111,169	1,879,047
Forestry .	5,846,225	5,900	5,852,125
Irrigation and drainage	6,621,575	434,359	7,055,934
Land settlement .	5,711,185	27,450	5,738,635
Soil conservation .	4,124,766		4,124,766
Electricity and power	774,855	45,911	820 766
Industrial development	2,056,966	6,855,600	8,912,566
Social			
Education:			
Primary and secondary .	36,880,882	42,500	36,923,382
Technical and vocational	11,939,209	-	11,939,209
Higher . .	24,432,812		24,432,812
Medical and health services	30,134,385	-	30,134,385
Housing and town development	15,606,918	402,645	16,009,563
Nutrition . . .	237,508	93,778	331,286
Water supplies and sanitation	22,599,140	149,750	22,748,890
Broadcasting, films and public information	4,064,790	-	4,064 790
Welfare .	2,928,610	-	2,928,610
Training for overseas civil service	5,167,100	500	5,167,600
Miscellaneous .	8,326,655	326,760	8,653,415
Totals	329,973,434	11,506,145	341,479,579

approved since March 1962 have been provided from sources other than CD & W votes.

The return also gives a summary by benefiting territories of development and welfare grants and loans and research grants approved from 1st April 1946.

A loan of £1·25 million to British Honduras for expenditure on the construction of a new capital was approved under section 2 of the 1959 CD & W Act during the financial year 1969-70.

FUTURE GOVERNMENT EXPENDITURE

The White Paper *New Policies for Public Spending* (Cmnd 4515, HMSO, 2s), presented to Parliament by the Chancellor of the Exchequer on 27th October stated "The economic aid programme, which for 1971-72 will be £245 million in gross cash terms, will be maintained at the levels forecast in Cmnd 4234 [see 2.1.70 pp 18-27], rising to £300 million in 1973-74, and there will be a further increase to £340 million in 1974-75. At constant prices and net of repayments of loans, the total provision for overseas aid (i.e. including items additional to the economic aid programme) will rise from £213 million in 1971-72 to £256 million in 1974-75."

Overseas Investment

BOOK VALUES OF DIRECT INVESTMENT

Estimates prepared by the Board of Trade of the book value of British overseas direct investment at the end of 1968 were published in the *Board of Trade Journal* (now called *Trade and Industry*) of 23rd September. They indicate an increase of about one-third since 1965—from £4·21 billion to £5·59 billion. Foreign direct investments in the United Kingdom, in terms of book values, also rose rapidly between 1965 and 1968 and totalled £2·72 billion at the end of the latter year.

All industrial and commercial investments, other than those of oil companies, were covered by the inquiry, but because of problems of definition, banking and insurance investments were excluded. Just over 1,200 UK companies were approached for details of their direct investments abroad. The inquiry was conducted on a voluntary basis and about 1,000 companies provided details, in whole or in part.

It was recognised that the values shown in companies' accounts would tend to understate the current value of investments, and would sometimes do so to a substantial degree. However, book values are the only values which are unambiguous and readily available. In general they reflect the cost of investments made at various past dates, although some companies revalue their assets periodically and substitute higher (or lower) values in their books. Any alternative to "book values" as a measure of the value of assets would involve an uncertain and subjective process of estimation.

Nearly half the increase of 33 per cent in the value of outward investments between 1965 and 1968 arose from devaluation, which gave a 16⅔ per cent uplift to the sterling equivalent of overseas assets expressed in non-devaluation currencies. There was also a substantial addition to the stock of direct investments by means of unremitted profits and other forms of new investment—predominantly made with the help of funds raised abroad.

Although the devaluation of sterling will have had an indirect effect on

DIRECT INVESTMENT: BOOK VALUES AT END OF YEAR

£ million

	U.K outward			UK inward		
	1962	1965	1968	1962	1965	1968
OVERSEAS STERLING AREA	1,936.6	2,395.5	2,967.0	44.8	43.5	58.0
Developed countries	986.1	1,334.7	1,810.7	39.0	28.4	48.1
Australia	520.4	712.9	966.4	8.5	4.5	6.0
Irish Republic	67.2	93.0	119.0	2.3	2.3	1.2
New Zealand	108.5	137.1	139.7	1.5	0.7	4.1
South Africa	290.0	391.7	585.6	26.7	20.9	36.8
Developing countries	950.5	1,060.8	1,156.3	5.5	15.1	9.9
NON-STERLING AREA	1,468.4	1,814.5	2,618.3	1,385.2	1,951.4	2,660.1
Developed countries	1,145.3	1,443.7	2,106.3	1,374.0	1,925.3	2,635.2
North America	785.3	919.0	1,286.9	1,085.7	1,543.7	2,045.9
Canada	484.0	531.4	686.9	169.2	226.8	223.0
United States	301.3	387.6	600.0	916.5	1,316.9	1,822.8
Western Europe	356.0	507.3	788.5	296.0	387.2	586.8
EFTA	82.8	114.5	152.7	158.6	208.8	308.6
EEC	[illegible]	302.2	628.9	133.7	178.4	278.2
Belgium and Luxembourg	62.1	67.7	112.2	8.9	12.9	14.7
France	84.1	117.6	180.5	71.5	40.2	51.0
Federal Republic of Germany	[illegible]	110.8	[illegible]	[illegible]	12.8	26.6
Italy	[illegible]	39.8	[illegible]	13.8	17.3	17.7
Netherlands	[illegible]	56.3	[illegible]	73.8	75.2	168.2
Japan	4.0	5.9	11.0	4.0	5.6	1.7
Developing countries	323.1	370.8	512.0	11.2	26.1	24.9
WORLD	3,405.0	4,210.0	5,585.3	1,430.0	1,994.9	2,718.1
Developing countries	[illegible]	1,431.6	1,668.3			
Developed countries	2,131.4	2,778.4	3,917.0			
Commonwealth countries	[illegible]	2,427.8	3,013.4			

Note: [illegible]

inward investments (since a number of companies in which there is a foreign stake themselves have overseas affiliates to which devaluation gave an uplift in value in terms of sterling), the main factor accounting for the rise in value of inward investment between 1965 and 1968 has been the rapid growth in recent years, both by way of takeover of previously independent enterprises, and the expansion of affiliates—mainly financed by unremitted profits.

Although there were marginal changes, the basic geographical distribution of direct investments was little changed between 1965 and 1968. Outward investments were very widespread, though still mainly in the overseas sterling area; three-quarters of inward investments originate from North America.

The table sets out book values of Britain's outward and inward direct investment in selected countries and areas at the end of 1962, 1965 and 1968.

British Construction Overseas

NEW RECORD FOR 1969-70

Figures published by the Ministry of Public Building and Works on 13th October show that the value of contracts won by British civil engineering firms during the year ended 31st March 1970 rose by nearly 50 per cent to £341 million, £107 million higher than the record achieved in the previous year. Though the new record was mainly due to increased efforts by firms already operating abroad, a number of firms entered overseas markets for the first time. The estimated value of work done rose from £204 million to £220 million.

The table gives details of work done and of new contracts undertaken in 1968-69 and 1969-70.

CONSTRUCTION WORK

Years ended 31st March *£ million*

Area	Total value of contracts obtained		Estimated value of work done		Value of work outstanding*	
	1969	1970	1969	1970	1969	1970
[illegible]	110	179	112	117	168	212
[illegible]	75	71	64	64	42	47
[illegible]	16	26	11	12	12	26
[illegible]	33	65	17	27	28	61
Total	234	341	204	220	250	346

* Including extensions and increases in cost, less cancellations to contracts previously reported

Some Notable Contracts

On the continent of Europe, British firms were very active and received a number of important contracts. The largest of them, worth £22 million, was awarded by the Rumanian Government to the Taylor Woodrow Irrigation Group for the construction, in association with the Rumanian authorities, of an irrigation system covering 200,000 acres in the Sadova-Corabia region. Binnie

and Partners are acting as consulting engineers and Terresearch Ltd. as advisers on soils and foundation engineering.

The £14 million contract to build the suspension bridge over the Bosporus in Turkey, linking Europe with Asia, has been won by Cleveland Bridge and Engineering Co. Ltd. (a member of the Cementation Group) in consortium with Hochtief AG of the Federal Republic of Germany. The bridge, which is to have the longest span in Europe and the fourth longest in the world, was designed by Freeman, Fox and Partners. Cleveland Bridge will be responsible for 80 per cent of the value of the contract, but under the terms of international loans will sub-contract a substantial amount of the work in continental Europe

In Spain, Laing Iberica SA, a member of the Laing Group, secured a number of contracts, one, worth over £1 5 million, was for construction of a section of motorway along the north Spanish coast including a viaduct and other works, and others included construction of a factory and offices in Madrid, a tennis and social club at Valencia, and an experimental farming centre at Jerez de la Frontera. In Gibraltar, Humphreys Ltd won a £1 2 million contract for building flats; associated with the project are Sandford, Fawcett, Wilton and Bell, consultants, Leslie A. Keats and Partners, quantity surveyors, and Piling and Construction Ltd. (a member of the Costain Group)

In North Africa, Cementation Ground Engineering Ltd won a contract for the grouting of the Ait-aadel dam across the River Tessaout in Morocco a special feature being the provision of vibrating wire piezometers in the foundations to measure pore pressure. Designed by Britain's Building Research Station the piezometers are thought to be the first to be installed in a dam Several major orders for television equipment for Libya have been received by British Insulated Callender's Construction Co Ltd (BICC), which is also to supply and erect overhead lines for Mobil Oil Libya Ltd at Amal, and for the Uganda Electricity Board. Following the establishment of the Uganda Electricity Board in 1948 to develop power supplies, BICC set up an organisation to build overhead transmission and distribution networks and in recent years has supplied and erected over 200 miles of overhead lines in the Acholi and Lango districts. In Kenya, Mowlem Construction Co was awarded two road contracts worth some £2 million, while in Nigeria a £3 million contract was awarded to a joint venture of Taylor Woodrow and an American company in connection with the Ibadan water supply extension project. George Wimpey and Co Ltd has won a £3 million road-building contract in South West Africa, while in Botswana a new company, Cosgrin (Botswana) Pty Ltd, partly owned by the Costain Group, is to build the £1·8 million first stage of a diamond mining township on the edge of the Kalahari desert.

Much work is being carried out in the Middle East Bernard Sunley and Sons Ltd. is to build a £6·5 million hospital in Dubai for the Ruler, to be fully equipped and air conditioned, with housing for staff. Other firms involved in the project are Norris Air Conditioning Corporation Ltd., the architects John R Harris, and the quantity surveyors Widnell and Trollope John Howard and Co. Ltd. has been awarded a £2 million contract to build a deep-water jetty at Um Said, in Qatar, and also a £4 million contract in Bahrain for the construction of a terminal, services buildings and other works for Muharraq international airport. Also in Bahrain, George Wimpey is to build airport extensions for Jumbo jets, and off-shore wellhead platforms, while Taylor Keenan Ltd is to install cold stores in the market place of the town of Isa. Other contracts awarded to British firms in the Middle East include a port development in Sharjah, and hospital construction for the Sultanate of Muscat and Oman

In the Seychelles, Costain Civil Engineering Ltd. is building a major airport, and has been awarded a further contract for a terminal building. A consortium led by Costain has won a contract worth nearly £18 million for a mile-long immersed tube tunnel under Hong Kong harbour, against strong French and Japanese competition. Several other British firms are involved, including Redpath Dorman Long Ltd. (part of the Northern Tubes Group, British Steel

Corporation) and the joint consulting engineers Scott Wilson Kirkpatrick and Partners and Freeman Fox and Partners. Two 22-ft. carriageways for motor traffic will be provided between Hong Kong island and the mainland of Kowloon, each section consisting of twin tubes 34 ft. in diameter and 350 ft. long. Taylor Woodrow is carrying out marine works in Thailand and extensions to a vehicle assembly plant in Malaya. Among piling works being carried out in Singapore underground piles, 22 ft. 6 in. in diameter and 200 ft. deep, are to be sunk by Cementation Mining to carry a 50-storey block for the Development Bank of Singapore, and are believed to be the largest underground piles in the world.

Contracts won in Australia include school, factory, office and warehouse buildings being constructed by George Wimpey, a £3 million 18-storey office block and marine projects by Taylor Woodrow, and a £3.6 million tower block and other office blocks in Melbourne by Costain (Australia) Pty. Ltd. In association with an Australian firm, Cementation (Australia) is sinking a 3,320-ft. shaft for Mount Isa Mines Ltd., as part of a programme to increase copper output by 50 per cent. In New Zealand, Cubitt Wells, a member of the Cubitt Group, has won three contracts worth over £3.3 million for offices and a shopping centre.

A large number of contracts were won in North America. Laing Construction and Equipment Ltd., a member of the Laing Group, was awarded contracts worth over £15 million, the largest being for an £11.5 million hospital in Toronto. Richard Costain (Canada) Ltd. obtained several contracts, including one of £7 million for residential development in Ontario, and another worth £6 million for similar development in Toronto. The Mitchell Construction Co. (Canada), a member of the Mitchell Construction Kinnear Moodie Group Ltd., George Wimpey, and BICC have contracts for a telecommunications centre, educational, office and housing work, roads, services and water mains, and cable equipment.

In South America a major transmission line contract worth £22 million has been awarded to the Anglo-Argentinian Power Construction Consortium, which consists of three British companies—Balfour, Beatty and Co. Ltd., BICC, and Painter Brothers Ltd., all members of the BICC Group—and an Argentinian firm. Sir Alexander Gibb and Partners are consulting engineers, in association with Merz and McLellan. The contract includes design, supply of materials and installation of two single circuit, quadruple conductor 500 kV lines, each 1,100 km. long, running parallel from El Chocon power station in the province of Neuquen to a terminal station near Buenos Aires. The project forms part of the El Chocon-Cerros Colorados Hydroelectric scheme. A joint venture of Redpath Dorman Long Ltd. and Cleveland Bridge and Engineering Co. Ltd. has won the first major British road bridge contract in Brazil, worth £8.5 million, to build and erect the structural steelwork for the navigation span of a dual carriageway bridge over Guanabara Bay linking the cities of Rio de Janeiro and Niteroi; the structure, of twin box girder construction, will be over half a mile long and will use 13,000 tons of steel. A £1 million contract for a 5,577-ft. pier on the Chilean coast has been granted to George Wimpey, which is also building a sea defence wall in Guyana, for which the consulting engineers are Sir William Halcrow and Partners.

In the Caribbean, a £2 million hotel, including an 18-storey tower block, is being built by Higgs and Hill in Kingston, Jamaica. A twin-tower block, also in Jamaica, is being built by Cementation. Other hotels, a bank, a sugar refinery and a jetty are under construction by other British companies.

Quantity Surveyors

British-based quantity surveying firms, already well-established in Europe, the United States and Commonwealth countries, are spreading their activities of cost-planning and control more widely than before, particularly in connection with the use of computers. Interest has recently been expressed by many

countries, especially by France. Many overseas commissions have been received, and practices have been set up in the United States, the Middle and Far East, France, Belgium and other European countries.

Architects

Major projects have been started recently in educational, hospital and residential developments. James Cubitt and Partners, who designed the £14.5 million University of Libya at Benghazi, are to design a £1.5 million university faculty and also science laboratories in Nigeria. Other contracts include a £4·5 million hospital in the Irish Republic (Keppie, Henderson and Partners), the £1·75 million Asian Institute of Technology at Bangkok (Robert Matthew Johnson-Marshall and Partners), a £3 million holiday village in Sardinia (Garnett Cloughley Blakemore and Associates), and hotels, warehousing, offices and shops in the Seychelles, West Indies and South Africa. While major projects have tended to be in Asia, Africa and the West Indies, a steadily increasing number of commissions have come from European countries such as France, Italy and Spain. The Royal Institute of British Architects maintains an index of practices, containing details, and often photographs, of work carried out by British architects, and suggests names for overseas work.

Planning Consultancy

Consultancy services and feasibility studies in the planning field are in growing demand. Llewelyn Davies, Weeks, Forestier-Walker and Bor are acting as consultants on urban renewal in Toledo (Ohio) and Detroit, and Shankland Cox and Associates for the new town of Pontoise-Cergy in France. Colin Buchanan and Partners are carrying out long-term city growth studies in Ankara, and Wilson and Womersley have been commissioned for the master plan for Saltfleet, Ontario.

Nobel Prize for Physiology and Medicine

BRITISH SCIENTIST'S JOINT AWARD

It was announced by the Karolinska Institute in Stockholm on 15th October that the 1970 Nobel Prize for Physiology and Medicine had been awarded jointly to the British scientist Sir Bernard Katz, professor of biophysics, University College, London, Dr. Julius Axelrod, professor of pharmacology, National Institutes of Health, Bethesda, Maryland, and Dr. Ulf von Euler, professor of physiology, Karolinska Institute, Stockholm. According to the citation their discoveries had 'greatly stimulated the search for remedies against nervous and mental disorders'.

Nature of the Work

These three scientists working independently have helped to unravel the events associated with the transmission of information from the terminals of neurones (nerve cells) to adjacent cells. Messages are passed along nerve fibres by propagated changes in the electrical potential of the neuronal membrane. However, at the majority of synapses (junctions between the nerve cells) the membranes of the two cells are separated by a small gap which impedes the progress of the message. Instead, information is transferred by the release from nerve terminals of specific terminal 'messengers' known as neurotransmitters.

At the neuromuscular junction impulses in fine nerve terminals are conveyed to muscle fibres, causing them to contract, by the release of a transmitter identified as acetylcholine mainly as a result of the work of Otto Loewi (Austria) who shared the 1936 Nobel Prize for Physiology and Medicine with Sir Henry Dale (UK) Sir Bernard Katz and his colleagues have shown that the action of acetylcholine on muscle membranes is essentially to cause a depolarisation known as the 'end-plate potential' (or epp), which, since muscle fibres are electrically excitable in the same way as nerve fibres, initiates a full-sized impulse which propagates along the whole fibre

In the 1950s Katz and his colleagues observed that in resting muscle small spontaneous depolarisations occur These 'miniature end-plate potentials' (mepps) were found to be due to minute quantities of acetylcholine randomly released by nerve endings Katz suggested that the release of acetylcholine occurred in 'quantal' packets of some thousands of molecules each During stimulation the rate of release increases a million times Electron microscopes later revealed characteristic 'vesicles' in the terminals of neurones thus providing a possible anatomical equivalent of the 'quantal packet'

The two other prizewinners have concentrated more on the study of noradrenaline In the late 1940s, by a detailed analysis of extracts of splenic nerves, spleen and heart, von Euler provided evidence that the neurotransmitter released at sympathetic nerve endings was noradrenaline and not adrenaline as had previously been supposed Since then both von Euler and Axelrod have extensively studied the biochemistry of adrenergic synapses Both have shown the presence of noradrenaline stores in presynaptic endings probably located in vesicles more recently revealed by electron microscopes

Importance of Discoveries

The importance of understanding such mechanisms lies in the fact that several pharmacological agents and disease states affect the process of transmissions at synapses resulting in muscular paralysis Botulinum toxin, for example, specifically blocks the release of acetylcholine, and this is believed to account for its neuromuscular blocking action Atropine, curare and most snake venoms also act at synapses using acetylcholine A large range of drugs affecting sympathetic nerve terminals such as amphetamine and related compounds cause the release of noradrenaline from storage sites, and cocaine blocks its uptake It is probable that the effects of many such drugs on the central nervous system may be due to their action at certain central synapses, since both acetylcholine and noradrenaline are believed to be transmitters at a proportion of the synapses in the brain The work of Katz, von Euler and Axelrod has made possible rational elucidation of the mode of action of such drugs and has provided an impetus to the search for the identity of the chemical mediators used at the many thousands of synapses in the brain, and to the study of their behaviour

Statistics of Science and Technology

Total expenditure in the United Kingdom on scientific research and development in 1967-68 was £962 million according to the third volume of *Statistics of Science and Technology*[1] published on 7th October. This was about £300 million more than in 1961-62 but the percentage it represented of national output (gross national product at factor cost)—2·7 per cent was similar to those in the years since 1961-62 for which information is available. The statistics are based on an

[1] *Statistics of Science and Technology 1970*, HMSO, 1s [for reference to previous volumes see 7 7 67 p 701 and 14 2 69 p 177]

inquiry for 1967-68, the second in an annual series replacing the previous triennial surveys, the last of which—the fourth—was for 1964-65.

Analysis by Sector

The Government continues to finance just over half the scientific research and development in Britain and to carry out about a quarter of it in its own establishments. The proportions recorded as carried out or financed by the Government, however, fell from 27·1 and 57·5 per cent in 1961-62 to 24·8 and 51·3 per cent in 1967-68, mainly because of a decrease in the importance of spending on defence research and development (36·7 per cent in 1961-62, 23·9 in 1967-68). Moreover, the real fall in this defence spending and thus in total government spending on research is greater than that shown by the figures, which are affected by a change in the bases of computation in 1967-68.

Private industry's shares of the research work done and the finance of research have remained fairly constant at 59 per cent and 37 per cent respectively, but the shares of universities and further education establishments have risen significantly both in carrying out the work (from 4·9 per cent in 1961-62 to 7·8 per cent in 1967-68) and in finance (from 0·2 to 0·6 per cent).

Private Industry

The cost of research and development (including current and capital expenditure) carried out within or financed by private manufacturing industry in the periods covered by the last two annual surveys is shown in the table under main product groups. Considerable increases occurred in aerospace; food, drink and tobacco; chemical and coal products, and timber, furniture, paper, printing and publishing. The total research expenditure on iron and steel rose by over £1 million, though that in the private sector recorded a sharp fall due to transfer to the public sector (the British Steel Corporation).

Royalty Transactions

Several tables in the new volume show overseas royalty transactions up to and including 1967 between British firms and those abroad. More recent figures were given in the *Board of Trade Journal* of 25th March. These later figures do not distinguish between technological royalties and mineral royalties, but the latter are in any case small (about 2 per cent of the total technological and mineral royalties) as oil royalties are excluded. Taking the two sets of figures together, it can be seen that the 1968 receipts of £83 million were about 90 per cent more than the 1964 receipts, while the 1968 payments (£77 million) were about 83 per cent more than the 1964 payments. In 1968 over a quarter of all receipts of identifiable origin were from the United States, compared with under a fifth in 1964, while about two-thirds of payments in 1968 were to the United States compared with nearly three-quarters in 1964. Total receipts from Western Europe, however, continued in 1968 to exceed those from the United States though by a decreased margin.

Supply of Engineers and Technologists

The new supply of qualified engineers and technologists rose from about 9,000 a year in the early 1960s to 12,000 in 1967. Most of these qualified by obtaining a first degree or membership of a professional institution—the annual supply of graduates increasing from 3,500 to 6,500. The new supply of qualified scientists rose steadily over the period 1960 to 1967 from 7,500 to 12,500, a high proportion qualifying by obtaining a first degree.

The new supply of first degree university graduates in engineering, technology and science increased from nearly 10,000 in 1960 to 19,500 in 1968. The

COST OF RESEARCH AND DEVELOPMENT IN UK PRIVATE MANUFACTURING INDUSTRY

£ million

Product group	1966-67	1967-68
	(revised)	
Food, drink, tobacco	15·8	18·1
Pharmaceutical products	17·0	16·4
Plastics	12·5	12·9
Chemical and coal products	40·3	42·0
Petroleum products	10·3	10·9
Iron and steel	11·5	3·0*
Non-ferrous metals	5·4	6·0
Mechanical engineering:		
Agricultural machinery	1·3	1·6
Textile machinery	1·8	1·9
Machine tools and parts	5·4	5·4
Industrial and marine engines	6·5	5·4
Mechanical handling and contractors' plant	2·8	3·6
Industrial plant and steelwork	8·5	9·0
Other	22·8	24·4
Total mechanical engineering	49·1	51·3
Metal products not elsewhere specified	8·7	6·6
Ships and marine engineering	2·1	1·8
Scientific instruments	13·9	12·7
Electrical engineering:		
Electronics and telecommunications	105·3	105·6
Electrical machinery and generation	16·0	16·2
Domestic appliances	2·7	2·4
Other	10·9	11·8
Total electrical engineering	134·9	136·0
Motor vehicles	44·5	44·0
Railway equipment	0·3	0·6
Aerospace	153·0	163·1
Textiles and man-made fibres	11·7	10·8
Clothing, footwear, leather	1·2	0·9
Stone and clay products	9·1	9·3
Timber, furniture, paper, printing, publishing	6·5	8·0
Rubber and rubber products	5·0	5·2
Other manufactures	3·2	3·4
Total	556·2	563·3

Source. Ministry of Technology and Board of Trade

* In addition £10·1 million is shown under ' Public Corporations ' representing transfer to the British Steel Corporation.

percentages in 1968 of those going into research and further study and university employment (24·6), industry (39·0) and central and local government (5·8) were similar to the percentages in 1960, but the percentage undertaking teacher training or entering employment in schools and further education colleges in 1968 (12·6), though higher than in 1967 (11·9), was lower than in the years 1960 to 1964, when it fluctuated around an average of 17 per cent. (The actual number in the latter category amounted to over 1,500 in 1960 and nearly 2,500 in 1968.)

The final section of the volume presents some results from the 1968 triennial manpower survey (further details of which are to be published later by the Department of Trade and Industry), together with data from the comparable survey in January 1965.

Science Research Council

FIFTH ANNUAL REPORT

Development of policy during the first five years of its existence, and work during the financial year ended 31st March 1970, are reviewed in the fifth annual report of the Science Research Council (SRC)[1] The council supports research and postgraduate education in a wide range of pure and applied science including mathematics, physics, chemistry, biology and all branches of engineering. It is responsible for a number of research establishments in Britain, notably some concerned with nuclear physics, astronomy, radio and space research It participates in major international organisations concerned with scientific research

Resources and Expenditure

The council points out that in the past few years there has been a 'sharp fall' in the rate at which its budget has been growing Over the period of five years, annual expenditure in real terms has increased by about 40 per cent to reach £46 million (at current prices) in 1969-70. The largest increase has been in international subscriptions which roughly doubled, the main causes being the initial build-up of the European Space Research Organisation (ESRO) in 1965-67 and the devaluation of the pound sterling in November 1967 which increased the sterling cost of all international subscriptions by about one sixth Between 1966-67 and 1968-69 expenditure on major research facilities and capital projects fell by about 16 per cent in real terms The proportion of the council's funds devoted to these items fell from about 20 per cent in 1965-66 to about 12 per cent in 1968-69, but rose in 1969-70 to about 14 per cent

The report observes that if the rate of increase of funds available to the council continues to be restricted 'it will be difficult to undertake the new major capital schemes required to restore the proper long-term balance in the council's expenditure, since the next few years may well see a sharp increase in the needs of universities for direct support of research and training in accordance with the council's policy of selectivity and concentration'

Council Policy 1965-70

The period 1965-70, according to the report, saw the assimilation and consolidation of responsibilities inherited from the various predecessors of the SRC and the emergence of certain continuing key features of the council's

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[1] *Science Research Council Report for 1969-70*, HMSO, 8s 6d

policy; the balancing of effort in the programme as a whole; the determination of priorities on the basis of thorough reviews of the different fields of research; long-term planning in the creation of major capital facilities; selectivity and concentration in the support of university research; the relation of support for postgraduate education to the changes in national needs and in the pattern of higher education; collaboration between the council's laboratories and universities, and the encouragement of collaboration in research and postgraduate education between universities and industry

Early decisions were taken to give priority to the support of astronomy and to limit the rate of growth of manpower and resources devoted to nuclear physics, and these policies are still in force The report explains that these two fields of research require major pieces of capital equipment which cannot be planned ahead unless the Government can give an assurance on the availability of funds at least for the early years.

The period under review has seen the reaffirmation of the council's policy of the dual system of support for research in universities by the University Grants Committee (UGC) and the research councils This recognises that teaching and research are essential academic functions and both should be supported from UGC funds but that, in addition, funds from the research councils are essential to initiate researches of special timeliness and promise Some of the projects initiated by research councils become in time an integral part of the research of the university and closely related to the teaching, so that the question of takeover (by the university) arises About £1 5 million was by agreement handed over by the SRC for earmarking by the UGC for projects and staff taken over by the universities for the quinquennium 1967-72. The report says that the Council for Scientific Policy has been reviewing for some time in consultation with the research councils the principles which in future should govern support of university research and hence arrangements for takeover in the quinquennium beginning in 1972

The report records that in spite of the council's increasing concern to support work of economic and social value, the nature of its responsibilities causes most of its funds and manpower to be channelled into the support of fundamental long-term research Basic research is of great intellectual and cultural interest, it also leads to knowledge having practical importance and provides an indispensable training medium at the postgraduate level in universities

International Relations

The British delegation to the European Organisation for Nuclear Research (CERN) continues to participate in policy discussions on the future of the CERN 300 GeV accelerator proposals, and physicists at the Rutherford and Daresbury Laboratories have made significant contributions to the development of the project.

The ESRO programme, which included the launching of a fourth satellite, *ESRO-Ib*, in 1969, has continued to provide British scientists with opportunities for scientific space experiments.

The UK/US space programme includes the preparation of two further satellites in the *Ariel* series – *UK-4* and *UK-5*. British scientists have also benefited from opportunities to participate in the space programmes of the US National Aeronautics and Space Administration (NASA). Lunar material from the *Apollo* missions has arrived for analysis in Britain. The report says that the offer made by NASA of increased collaboration by Europe or by some European countries in planned projects for space shuttles, space stations and bases could, if Britain participated, affect the future space science programme for which the SRC is responsible.

The Daresbury Nuclear Physics Laboratory organised an international symposium on electron and photon interactions in September 1969 on behalf of the SRC, the University of Liverpool and the International Union of Pure and Applied Physics.

Anglo-French collaboration was explored in mutual visits between staff of the council and of similar organisations in France.

Nuclear Energy

ATOMIC ENERGY AUTHORITY'S ANNUAL REPORT

The sixteenth annual report of the United Kingdom Atomic Energy Authority (AEA) for the financial year 1969-70 was published on 14th October (HMSO 17s). An illustrated summary, *Atom 70*, is also available. At a press conference held in London to introduce the report, the chairman, Sir John Hill, gave a broad survey of the authority's progress during the year.

Reorganisation

Legislation to transfer the activities of the authority's trading fund (comprising the Production Group and the Radiochemical Centre) to two companies to be established under the Companies Acts, was introduced in the House of Lords on 11th March 1970. Under the Atomic Energy Bill the two companies would have been called British Nuclear Fuels Ltd and the Radiochemical Centre Ltd. However, the Bill lapsed on the dissolution of Parliament on 29th May.

A Green Paper published in January [see 30.1 70 pp. 111-14] suggested a British Research and Development Corporation to incorporate the authority's research and reactor groups along with the then Ministry of Technology's industrial research establishments and the National Research Development Corporation.

Finance and Trading

Net expenditure in 1969-70 was £20·5 million, some £7 million less than the forecast made in the 1969-70 Civil Estimates. Expenditure was less than the parliamentary grant mainly because of delay in completion of the prototype fast reactor (PFR) at Dounreay and deferment of purchases of plutonium for fabrication of its fuel. Gross expenditure for 1970-71 has been forecast at £94·235 million and receipts at £56·136 million, leaving £38·099 million to be financed by parliamentary grant.

Sales, mainly of electricity, nuclear fuel services and radioisotopes, totalled £46·2 million with a net surplus of £3·9 million. All electricity sales and most fuel services sales were to the United Kingdom generating boards. However overseas fuel services accounted for £4·4 million in completed export sales, while new export contracts signed and letters of intent received during the year amounted to £7·1 million. At the end of the year outstanding export business was valued at approximately £20 million. Sales were made to Australia, Belgium, Canada, Denmark, the Federal Republic of Germany, Finland, India, Italy, Japan, the Netherlands, New Zealand, South Africa, Spain, Sweden, Switzerland, and the United States. Three new overseas contracts for the manufacture of plutonium fuel were signed during the year. An agreement was signed with Gulf General Atomic of the United States for technical collaboration with a view to establishing a joint company to supply light water reactor fuel to the United States. Sales of radioactive products from the Radiochemical Centre at

Amersham increased by 22·6 per cent to £4 million of which £2·4 million was exported. At the end of the year the centre received its second Queen's Award to Industry, in recognition of technological innovation in the production of carbon-14 and its compounds.

The manufacture of the initial fuel charge for the Wylfa (Anglesey) power station, the last of the magnox stations of the first nuclear power programme, was completed at Springfields during the year. Emphasis has now been placed

UKAEA'S CIVIL NON-NUCLEAR RESEARCH AND DEVELOPMENT

	Expenditure 1969-70	Qualified scientists and engineers
	£'000	Man-years*
Other than on full repayment		
Non-Destructive Testing Centre	202	14
Analytical Research and Development Unit	149	14
Physico-Chemical Measurements Unit	92	8
National Centre of Tribology	142	12
Heat Transfer and Fluid Flow Service	156	9
Ceramics Centre	349	29
High temperature chemical technology	104	11
Electrotechnology	81	4
Desalination	922	47
Filtration and treatment of liquors	53	5
Atmospheric pollution	133	9
Improved utilisation of steels	54	3
Carbon fibres	463	26
Hydrostatic extrusion	120	7
High temperature fuel cells	62	8
Other .	14	2
A. Total cash expenditure	3,096	208
On full repayment		
APACE (also group technology and adaptive control)	266	25
Advanced computer interconnections	57	7
Computer software	144	12
Marine technology	40	4
Electrotechnology	58	4
Biomedical technology	249	30
Space technology	215	8
Advanced radiotelescopes	92	11
Advanced materials technology	52	7
Passenger conveyors	16	2
Other	158	10
Total operating costs .	1,347	120
B. Cash element of above .	1,240	
Total cash expenditure A + B		
1969-70	4,336	328
1968-69	3,477	264
1967-68	2,038	175
1966-67	1,046	81
1965-66	481	42

* Some projects were started or terminated during the year and this column provides a measure of the effort actually deployed upon each project during the course of 1969-70.

on the production of enriched uranium fuel for the gas-cooled reactors of the second nuclear power programme and new facilities for this process are now fully operational at Springfields. Production began also of breeder fuel for the PFR at Dounreay.

At Capenhurst, recommissioning of reconstructed diffusion plant for the production of enriched uranium was almost completed Development of the gas centrifuge process continued and construction began of a prototype plant, expected to begin commissioning in 1972 An agreement was signed on 4th March between the Governments of Britain, the Federal Republic of Germany and the Netherlands concerning collaboration on development and exploitation of the gas centrifuge process. It was agreed that centrifuge plants should be constructed at Capenhurst (see above) and at Almelo in the Netherlands The eventual capacity of the Capenhurst plant will be 40 to 50 tonnes separative work a year.

There was a 15 per cent rise in the throughput of irradiated fuel at the Windscale reprocessing plants. Reprocessing of irradiated enriched uranium oxide fuel from the Windscale Mk II gas-cooled reactor (AGR) and the Garigliano BWR in Italy began during the year Commissioning of a fast reactor plutonium fuel plant was almost completed

The Reactor Programme

The Central Electricity Generating Board (CEGB) received approval for the construction of two further nuclear power stations at Heysham, Lancashire and at Sizewell, Suffolk--both using AGRs The total planned output of AGRs either under construction or granted approval is now 7,500 MW(E)

The short-term emphasis of the authority's work is on the testing and improvement of AGR fuels and reactor materials in support of the second nuclear power programme Construction of the first Mk II gas-cooled reactors is well advanced and some fuel for the initial charges of Dungeness B and Hinkley B has been manufactured On the earlier Mk I (magnox) reactors, the authority is supporting the CEGB in the investigation of problems caused by corrosion.

The major part of reactor development is concerned with fast reactors which are expected to be the dominant type of reactor installed in and after the 1980s. Construction of the PFR at Dounreay is now progressing, after the engineering setbacks of the previous year. Designs for future power-producing fast reactors are concentrated on reactors of 1,250 MW(E) output. Fuel development has included irradiation trials in the Dounreay fast reactor

The development programme on steam generating heavy water moderated reactors (SGHWR) was concentrated on proving features of the system offered in commercial designs Further design studies are being conducted by the design and construction companies. Exchanges of information on water reactors have been made with several countries, including Canada and Italy

The other advanced thermal reactor, currently under development and intended to work concurrently with fast reactors, is the graphite moderated Mk III gas-cooled reactor (HTR). In a joint programme with industry and the generating boards, the AEA concentrates on HTR technology while the industry and boards are concerned with the engineering aspects This generation of reactors draws on British experience with gas-cooled reactors and technology developed for the international *Dragon* project at Winfrith. The *Dragon* reactor is operated by the AEA on behalf of the signatories of the Organisation for Economic Co-operation and Development High Temperature Gas-cooled Reactor Project Agreement which has been further extended to March 1973.

The British Nuclear Export Executive was disbanded during the year as a consequence of the reorganisation of the industry. Its export promotion functions have been taken over by the Reactor Export Policy Committee comprising

representatives of the two design and construction companies and two members of the AEA. The AEA has in fact relinquished its remaining responsibilities for overseas reactor sales which have been assumed by the design and construction companies

Research and Development

Expenditure on civil research and development in 1969-70 amounted to £50 million of which £39 million was for current expenditure and £11 million for capital facilities Of the £47 million spent on civil nuclear research and development, the major sector was reactor research and development which accounted for £43 3 million (62 per cent for the fast reactor, 18 per cent for the Mk II and III gas-cooled reactors and 20 per cent for the water-moderated system and other work) A total of 2,225 qualified scientists and engineers were engaged on civil research and development at the end of the year, compared with 2,380 at 31st March 1969 In addition 280 qualified staff were employed on civil nuclear and non-nuclear work for other organisations on full repayment.

Nuclear fusion research at Culham concentrated on investigating the confinement of plasma in magnetic traps of the 'closed-line' class Construction has commenced of two major new experiments of this class, the High Beta Toroidal experiment and the Superconducting Levitron The results of an Anglo-Russian experiment at the Kurchatov Institute in Moscow to measure the temperature and density of the deuterium plasma confined in the TOKAMAK device confirmed the potential value of closed-line' systems as a basis for fusion reactors

The authority's research and development programme is supported by underlying research in relevant scientific disciplines Among other work during the year significant advances were made in the testing and fabrication of new materials, such as composites and artefacts of carbon fibre At Harwell, analyses were reported of 50 elements in the moon dust collected during the *Apollo 11* mission

Non-nuclear Research

The fields in which the AEA undertakes non-nuclear research and development are defined by requirements issued by the Minister of Technology in accordance with Section 4 of the Science and Technology Act 1965 In 1969-70 15 new projects were approved under the general headings of electrotechnology (5), quality control (4), improved utilisation of steels (2), marine technology (2) atmospheric pollution (1) and ceramics (1). Expenditure on non-nuclear research programmes is shown in the table. The report makes particular mention of the Tribology Centre at Risley, which signed nearly 100 industrial contracts during the year and of work at Aldermaston and Harwell in the medical field to develop, for example, cardiac pacemakers and materials for artificial kidneys or surgical implants.

Adoption of Children

The principle that the long-term welfare of the child should be the first and paramount consideration in the application of adoption law underlies the proposals contained in the working paper of the Departmental Committee on the Adoption of Children published[1] on 21st October The committee was appointed in July 1969 [see 15.8.69 p. 742] under the chairmanship of Sir William Houghton by the Home Secretary and the Secretary of State for Scotland. Public discussion and comment are now invited on its provisional proposals for changes in the law and when reactions to these have been studied the committee will publish a final report

The Need for Changes in Existing Law

The committee points out in the introduction to the working paper that in recent years adoption workers and others had found the Adoption Act 1958 unsatisfactory in some respects Their reasons for concern included the fact that the 1958 Act did not make the welfare of the child paramount or even as important as the rights of the parents; the way in which adoption resources varied from area to area and the pressures of work on societies whose resources were inadequate; the timing and arrangements for the mother's consent, which gave her freedom to change her mind right up to the time of the court hearing and imposed strain on the mother and the adopters and sometimes caused disturbance to the child, and the position of the putative father whose consent to adoption was not required although he could apply for custody under the Guardianship of Infants Acts At the same time concern had arisen about a number of children who were reclaimed by their natural parents after many years in foster homes In a number of cases the foster parents wished to adopt but were reluctant to apply to a court for fear that the natural parents would immediately withdraw the child It therefore seemed desirable to consider the needs of these children in the context of adoption law

Principal Proposals

The committee's principal proposals, which would involve changes in the present law, include the following·

(1) That an adoption service, organised as part of a comprehensive social work service, should be made available throughout the country

The committee considers that an adoption service should be available for all children whose family circumstances are such that they would benefit by adoption. A good local authority social work service should be available as part of a total family service so that children are not relinquished unnecessarily

[1] *Adoption of Children*, HMSO, 14s

This service should be available to parents wherever they happen to live, and irrespective of racial and religious background. In selecting adopters, arbitrarily restrictive criteria should be avoided. At present adoption is arranged by 65 voluntary adoption societies in England and Wales and nine in Scotland, or by local authorities. The services offered vary considerably between societies and among local authorities

(2) That only registered adoption societies and local authorities should be allowed to place a child for adoption with anyone other than a relative and that independent adoptions arranged by parents or by a third party should cease.

This proposal is made to ensure the welfare of the child since instances of unsuitable placements by third parties have occurred

(3) That it should be possible for a parent's consent to adoption to become final before an adoption application is made

In order to safeguard the rights and interests of natural parents the committee proposes that there should be a consent hearing attended by those whose consent is required If the court is satisfied at this hearing, all parental rights and duties would be relinquished and vested in the agency until an adoption order is made

(4) That foster parents should not in any circumstances be able to apply for adoption, irrespective of whether the natural parents are willing to consent to adoption, unless the child has been in their care for a minimum of one year, and that if they have cared for a child for five years or more they should have an absolute right to apply to the court for adoption irrespective of the views of the natural parents

The committee proposes that in such circumstances foster parents should not be able to apply to adopt a child in their care without the consent of the local authority, which would then be responsible for making inquiries similar to those carried out by adoption agencies before accepting a couple as suitable to adopt

(5) That the right to apply for guardianship should be made available to relatives and foster parents already caring for a child

The committee considers that the existing range of legal provisions for the substitute care of children is incomplete, in that the law provides no generally available means other than adoption whereby anyone other than natural parents caring for a child may obtain legal recognition and security for their relationship to the child

Guardianship would differ from adoption in that it would not finally sever the child's links with his natural parents and a guardianship order could be reviewed by the court at any time if an application for revocation of the order were made

(6) That consideration should be given to setting up 'family courts' at local level to cover adoption, guardianship, affiliation proceedings and matrimonial disputes.

This would be in addition to the Family Division of the High Court [see 27 2 70 p. 193] and would hear cases at present dealt with in county courts and magistrates' courts. The High Court, county courts and magistrates' courts all have jurisdiction in adoption matters but in practice the great majority of cases are dealt with by county and magistrates' courts.

Entertainment and the Arts

LOCAL AUTHORITY CONTRIBUTIONS

The net expenditure of local authorities on entertainment and the arts has more than doubled in England and Wales in the last seven years, according to figures published by the Institute of Municipal Entertainment in a recent survey.[1] The figures cover expenditure across the whole field of entertainment ranging from the promotion and sponsorship of ballet, art exhibitions and orchestral music to pop music, professional wrestling and beauty contests.

Overall Expenditure

In 1968-69 the net expenditure of 511 authorities who supplied information was £5,269,600 compared with £2,549,200 spent by the 535 authorities covered in the institute's first survey of 1961-62 Over the same period their gross expenditure increased by 60 per cent from £7,432,600 to £11,911,200. Although most of the money was spent on activities promoted by the authorities themselves, one quarter--£1,338,000 in 1968-69--was disbursed as grants and contributions to organisations connected with the arts, mainly to subsidise professional theatres and orchestras, but also to assist festival activities, orchestral societies and other organisations. The institute notes that although not all local authorities returned its main questionnaire, the majority of the non-returning authorities were small and probably spent little on the arts, so that they survey presents 'an almost complete picture of municipal expenditure on the presentation and sponsorship of the arts and entertainment'

Separate figures for Scotland in 1968-69 show an expenditure of £2[illegible] by 35 Scottish local authorities on similar activities

Differences in Expenditure

The survey records the wide differences between authorities in their spending on entertainment and the arts In England and Wales the Greater London Council (GLC) spent most on these activities (nearly £1½ million gross in 1968-69) followed by the county boroughs of Torbay, Bournemouth and Birmingham and the London Borough of Croydon (all over £500,000) Altogether over [illegible] authorities spent more than £100,000 each, the majority of them being county and London boroughs with substantial populations In terms of net expenditure in relation to resources, however, many of the small authorities spent more than the large ones and authorities in Scotland in general spent substantially more than those in England and Wales

Activities Supported

Four hundred authorities throughout Great Britain submitted details of arts and entertainment activities sponsored or promoted by them The most frequently supported activities were band concerts (195 authorities), art exhibitions (118), children's entertainments (116) and orchestral concerts (103) Other activities receiving support included jazz music, fashion shows, carnivals circuses and folk-dancing.

[1] *A Survey of Municipal Entertainment in Great Britain for the year ended 31st March 1969* Institute of Municipal Entertainment, 20s.

Government and Administration

Criminal Statistics, England and Wales 1969.	Cmnd. 4398 HMSO, 30s
Criminal Statistics, Scotland 1969	Cmnd. 4423 HMSO, 6s 6d
Judicial Statistics, Scotland	Cmnd. 4425 HMSO, 5s
Report of the Work of the Prison Department 1969	Cmnd. 4486 HMSO, 9s
Criminal Injuries Compensation Board. Sixth report. Over 7,000 new applications for compensation were received during the year ended 31st March 1970 (nearly 1,000 more than the previous year), nearly 7,000 cases were resolved (a similar increase of about 1,000), and expenditure was nearly £2 million. Since the scheme began in August 1964, over £6 million has been paid out.	Cmnd. 4494 HMSO, 3s
The Law Commission. Powers of Attorney: report on a reference under section 3(1)e of the Law Commissioners Act 1965	Cmnd 4473 HMSO, 4s 6d
Administration bonds, personal representatives' rights of retainer and preference and related matters	Cmnd 4497 HMSO, 5s 6d
Law Reform Committee. Seventeenth report. Evidence of opinion and expert evidence.	Cmnd 4489 HMSO, 5s
UK Parliament. Appointment of Co-ordinator of Security. The authorities of both Houses of Parliament have appointed Mr. F W Gilbert, former Commander of 'A' Division of the Metropolitan Police, as Security Co-ordinator in the Palace of Westminster	Press release Office of the Lord President of the Council 23.10.70
List of Overseas Visits by Members of the Royal Family.	COI, R.5484/70
Scotland. Fact Sheet on Britain.	COI, R.4735/A/4

External Affairs and Defence

New Hebrides. Report for the years 1967 and 1968.	HMSO, 15s
Anglo-Belgian Military Vehicles Agreement. Details of Anglo-Belgian memorandum of understanding covering collaboration on a series of light tracked combat reconnaissance vehicles. The contract for the production for	Press release Ministry of Defence October 1970

the British Army of the first two vehicles in the series, *Scorpion* and *Scimitar*, was placed with the manufacturers, Alvis Ltd., in April; Belgium will share in the production of these and others of the series in rough proportion to Belgian requirements.

Laos.	COI, R.5489/70
The Colombo Plan	COI, Factel No. 610

Economic and Scientific Affairs

Monopolies Commission. A report on the general effect on the public interest of certain restrictive practices in relation to the supply of professional services	
Part I. Report	Cmnd 4463 HMSO, 11s
Part II: Appendices.	Cmnd 4463-I HMSO, 23s
London Taxicab Trade Report of the Departmental Committee, October 1970.	Cmnd 4483 HMSO, 23s
New Policies for Public Spending (see p. 947)	Cmnd 4515 HMSO, 2s
Investment Incentives (see p. 947).	Cmnd 4516 HMSO, 2s
Tables illustrating Income Tax payable under the Proposals announced by the Chancellor of the Exchequer on 27th October 1970 (see p. 947)	Cmnd 4517 HMSO, 2s
Agricultural, Horticultural and Forestry Industry Training Board. Annual report.	HMSO, 3s
Economic Activity in Britain Results of 1966 sample census.	Registrar-General for Scotland and Office of Population, Censuses and Surveys, St Andrews House, Edinburgh EH1 3DQ
Importance of the EFTA Market for the EEC Countries: (articles reprinted from *EFTA Bulletin*).	EFTA Information Department, 9-11 rue de Varembé, 1211 Geneva 20
New Proposals for Reform of Industrial Relations.	COI, Factel No. 611
Aerospace. Fact Sheet on British Industry.	COI, R.5776/1

Social and Cultural Affairs

Education Statistics for the United Kingdom 1968
HMSO, 30s

Report of the Computer Board for Universities and Research Councils, for the period 1st November 1968 to 31st March 1970. Since 1966 when the computer board was set up to provide computers for research purposes, 33 new computers have been delivered to universities. Eight more are on order, together with equipment worth £2.2 million for enhancing existing machines at 31 universities.
Cmnd. 4488
HMSO, 3s 6d

On the State of the Public Health. Annual report of the Chief Medical Officer of the Department of Health and Social Security for 1969.
HMSO, 26s

Statistics for Town and Country Planning (E. & W.) Series I, Planning Decisions No. 2: Statistics on planning applications, 1969. Ministry of Housing and Local Government.
HMSO, 5s

Rent Rebates for Council Tenants. Report of a sub-committee of the Scottish Housing Advisory Committee.
HMSO (Edinburgh), 7s 6d

Government's Pensions Policy. Speaking at a conference organised by the Industrial Society on 20th October, Mr Paul Dean, Parliamentary Under-Secretary of State at the Department of Health and Social Security, outlined the Government's pensions policy. He said that the Government believed that the best structure was a basic state pension on which people could build through occupational schemes. In the provision of earnings-related pensions, the state had no more than a subordinate part to play. A state pension system was bound to be less flexible than occupational schemes.
Press release
DHSS
20.10.70

Urban Programme. Twenty playgroups for children aged 3 to 5 are to be set up in the London Borough of Southwark under the urban programme (see 28.8.69 p. 2321). The National Bureau for Co-operation in Child Care will help to evaluate the way in which playgroups can best be of use in areas of social need.
Press release
Home Office
27.10.70

Survey of Municipal Entertainment in Great Britain for the year ended 31st March 1969 (see p. 990)
Institute of Municipal Entertainment,
Elm Farm,
Flamstead End,
Cheshunt,
Herts., 20s

Children in Flats: A Family Study. National Society for the Prevention of Cruelty to Children.
NSPCC,
1 Riding House St.,
London W1P 8AA,
6s

Sport and Physical Recreation for the Disabled
Disabled Living Foundation,
Vincent Square,
London SW1, 9s

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Recreational Planning for the Clyde Firth of Clyde study phase two	Scottish Tourist Board, 2 Rutland Place, Edinburgh
Theatre in Scotland	Scottish Arts Council, 11 Rothesay Terrace, Edinburgh EH3 7RY

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Northern Ireland

LOCAL GOVERNMENT REORGANISATION

The report of the review body on local government, set up under the chairmanship of Mr. Patrick Macrory, a full-time executive director of Unilever, as a corollary to the Northern Ireland Government's decision to convert housing into a provincial service [see 7.11.69 p. 986], was described during a two-day debate in the Northern Ireland House of Commons on the 28th and 29th October by Mr. Brian Faulkner, Northern Ireland's Minister of Development, as 'embodying a set of proposals that carry the stamp of distinction, of up-to-date thinking, of fairness, and ... a strongly human touch as well'.

The Proposals

The proposals, which were put forward in June in the Report of the Review Body on Local Government in Northern Ireland,[1] involve the transfer of important services such as education, planning, roads, personal health services, water supply and sewerage from local government to ministries of the Northern Ireland Government, and the replacement of the existing 73 local authorities by a maximum of 26 new 'district councils'. The district councils would retain responsibility for localised services such as refuse collection, litter control, parks and open spaces, museums and art galleries, and environmental health services, and they would act as agents in carrying out some executive functions for the major services which were to be transferred to the Government. The day-to-day management of other transferred services, for instance, health, welfare, child care and education, would be decentralised to area boards, which would similarly act for the ministries concerned.

Government Response

Reminding the House of the Government's undertaking to reach no decisions until Parliament, the local authorities and the public had had an opportunity to study the report and express their opinions on it, Mr. Faulkner told members that they were now being asked 'merely to take note' of the report—not to take decisions, nor to approve any decisions taken by the Government, which was entering the debate 'without commitment'. For his own part, he regarded the report as 'an outstanding contribution' to the process of modernising Northern Ireland's administrative system and, while 'anxious and willing to consider and weigh up all other points of view, from all sides of the House', his present attitude was 'that those other points of view will have to be both convincing and single-minded if they are to add up to a more promising framework than that offered by the report'.

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[1] The Housing Executive Bill (Northern Ireland) received its first reading on 2nd July and passed its second reading without a division on 27th October.

[2] Cmd. 546, HMSO Belfast 7s.

Future Timetable

On the timing of the reorganisation Mr. Faulkner said that, with co-operation and goodwill on both sides, it ought to be 'just possible' to hold local government elections in 1972[1] and to bring the new system into force in April 1973. A transfer from the old regime to the new involved 'a truly massive programme of public work', including legislation, staff negotiations and the determination of boundaries and wards, which could not be embarked upon until the Government had taken account of the present debate and of all representations and had reached and published its decisions. Even when started, the programme was 'bound to take a long time to carry through'.

Appealing to members 'to put their minds to this aspect of the matter in the next two days and to say whether they can see any reasonable and proper way of reducing the time needed', Mr Faulkner said that he had to advise the House that the system needed a complete overhaul and that the sooner this was started and completed, the better it would be for the country. 'Ulster has been changing over the last decade', he concluded. 'Our local administration must now change with it. I am personally pledged irrevocably to do all in my power to press ahead with the whole modernisation process. I therefore ask the House . . . to give voice to the deep-felt desire of all decent, sensible people in the Province to see Ulster take several more strides on the path of firm, fair and businesslike public administration.'

POLICE INVESTIGATION AND REFORM

That the subsequent achievements of the Royal Ulster Constabulary (RUC) in becoming 'a non-aggressive, non-retaliatory police service resolved to win the respect and confidence of all members of the community' would be taken into account in considering past 'serious misconduct' on the part of a small number of its members, was the hope expressed by the Chief Constable of the force, Sir Arthur Young, in a statement issued on the report on the Devenny case[2] presented to him by Detective Chief Superintendent Drury of the Metropolitan Police, who had been called in to conduct an inquiry into the case. The Chief Constable's statement earlier asserted that evidence in the report (which was not being published) supported the allegations against members of the RUC but that it had not been possible to find the culprits because of a 'conspiracy of silence motivated by a misconceived and improper sense of loyalty' by other members of the force to their 'guilty comrades'.

Prime Minister's Statement

The failure to identify the eight men out of a force of some 500 on duty in Londonderry on the date in question was also the subject of comment by Northern Ireland's Prime Minister, Major Chichester-Clark. In a statement to the Northern Ireland House of Commons on 5th November on the inquiry by the Detective Superintendent and the subsequent statement by the Chief Constable, he stressed that this had not been due to any lack of effort on the part of those involved in the inquiry, and he expressed the hope that the 'thoroughness of the investigation and the immense time and trouble spent upon it' would 'dispose of the canard that genuine attempts are never made to discover

[1] Later in the debate Major Chichester-Clark announced that it was intended to introduce legislation to enable the new voting registers to be used before the next scheduled round of local government elections so that any by-elections would be held on a basis of 'one man, one vote'.

[2] A case concerned with allegations that a Mr. Samuel Devenny of Londonderry and other members of his family had been wilfully assaulted in their home by members of the RUC on 19th April 1969 (Mr Devenny died the following July; the cause of death was established at the inquest as coronary thrombosis) and with the police investigations into the allegations.

the culprits where the police are involved'. At the same time, the Prime Minister strongly criticised the attitude of those members of the RUC who were unwilling to co-operate with the authorities in their efforts to ascertain the truth. 'While this may be understandable,' he said, 'surely their greater loyalty should lie with the vast majority of the members of the force who must deprecate the actions of those concerned as strongly as do those outside the force'.

On the general situation, the Prime Minister said that while 'what took place in the Devenny home' could not be condoned it must nevertheless be acknowledged that many standards had suffered 'in the violence and tension of the past two years'. There were lessons for all 'in these unhappy events'—lessons which the Government was determined to learn. 'And . . . can we not in this House, all of us', he said, 'determine that never again will we—any of us contribute in any way to a situation in which ordinary people do evil things, and do them on both sides and for a variety of causes, real or imaginary'.

In concluding his statement the Prime Minister appealed for restraint. He was not asking the House to try to qualify the judgment on the Devenny case nor to pretend that this 'deplorable incident' had not occurred. 'But equally,' he said, 'let us not make this report and those events an occasion for undermining in any way the overall relationship now developing between the police force and the community. With virtually every aspect of the Hunt Report carried through, with an impartial Police Authority in being, with every effort being made to attract into the RUC good recruits from every section of the community, this is a time to note the unhappy experience of the part, but not to exploit it. . . . The RUC today embodies in its ranks some of the finest men and women in our community While we properly censure those few who fell short in trying conditions, let us not fail to express our proper gratitude to all the rest.'

British Home Secretary's Statement

In answer to a question in the House of Commons about the statement by the Chief Constable of the RUC (*Hansard*, 5 11 70, col 1243) the British Home Secretary, Mr. Reginald Maudling, said that this was a matter for the Northern Ireland Government and he was certain that Major Chichester-Clark and his colleagues would be examining it 'as a matter of urgency'.

Questioned further about reports of 'outside influences' involved in recent disturbances in Northern Ireland, Mr. Maudling agreed that there were 'certainly some evil influences at work in Northern Ireland at the moment'—though not only on one side—and assured the House that the British Government would do all it could to prevent them from doing harm.

Law and Order

REPARATION BY THE OFFENDER

An experimental scheme of criminal bankruptcy as a means of securing compensation for the victims of convicted offenders was among the proposals set out in the report[1] presented to the Home Secretary on 21st October by the Advisory Council on the Penal System [see 13.5.66 p. 510]. The report was the work of a sub-committee appointed under the chairmanship of Lord Justice Widgery to study, on behalf of the council, how the principle of personal reparation by the offender might be given a more prominent place in the penal system and, in this connection, to consider especially the position of the professional criminal. That the courts should show a greater readiness to use their

[1] *Reparation by the Offender*. Report of the Advisory Council on the Penal System. (HMSO, 13s 0d).

existing powers to order reparation, even at the risk of reducing the amount of fines imposed, was among the other recommendations in the report.

Criminal Bankruptcy

The scheme proposed in the report would involve making bankrupt 'selected persons convicted of specified offences',[1] with a view to the distribution of their assets to their victims. The concept behind the scheme was said to be 'that if a person commits a serious crime against property or against the person, his assets should be susceptible of being tapped to the fullest possible extent' for one or more of the following purposes: (a) to strengthen the means available to the community of preventing convicted criminals from enjoying, sooner or later, the fruits of their crimes, (b) to deter offenders and would-be offenders by increasing the unpleasant consequences of detection and conviction, (c) to improve the prospects of securing compensation for the victims of crime from those who had perpetrated it, either by uncovering the assets of these offenders or by attaching their earnings, and (d) to reassure the public that where there had been loss through criminal activity, everything that could reasonably be done would be done to achieve the above objectives.

The considerable practical difficulties (both in the criteria and the machinery for selecting criminals to whom bankruptcy should be applied) were noted in the report, but the opinion was expressed that the experiment (which would require legislation and should be conducted on the basis of minimum changes in the bankruptcy law) was, nevertheless, well worth making, both as a means of uncovering the assets of professional criminals and because of its 'useful potential application in securing the future earnings of offenders for purposes of reparation'. There was, of course, no advance guarantee of its success: this would have to be judged largely on the extent to which the scheme prevented offenders from profiting from their offences. However, should it prove effective it would not only be a valuable deterrent to large-scale crime, but might also be developed in such a way as to enable the courts to impose shorter sentences on those who committed it, or even to rely in some cases on non-custodial penalties alone.

Rationalisation of the Law

The introduction of a single comprehensive provision for ordering compensation in criminal proceedings to replace the existing provisions which are scattered throughout various statutes was suggested in the report to help the courts to use their powers in this respect less 'sparingly and unevenly' than they did at present. Although it seemed that little could be done about some of the factors inhibiting the courts—for instance, the complexity and limitations of their powers to order reparation, the difficulty of determining liability in criminal proceedings, and the need to take account of the offender's means in deciding whether compensation should be ordered, and, if so, how much—there was room for a 'substantial increase' in the number of orders made. Guidelines should be laid down for the courts, which should be encouraged to work on the principle that compensation should be ordered in respect of the direct consequences of an offence where these represented an appreciable loss to the victim, except 'where enforcement appears impracticable, where a need to resolve difficult issues of liability makes it more appropriate to leave the offender to his civil remedies,[2] or where reparation would conflict with the sentence for the offence'.[3]

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[1] Offences against property for gain; for the purposes of the experiment it was suggested in the report that the minimum loss to the victim might be £15,000

[2] The powers of the criminal courts to order monetary compensation for the consequences of crime, or the restitution to the owner of stolen property which is recovered, are in addition to the normal civil remedies which may be sought by the victim by suing the offender in the High Court or the county court.

[3] The ordering of compensation or restitution may be in addition to any other sentence that may be imposed.

Reparation by Offenders given Custodial Sentences

It was suggested in the report that unless there was reason to believe that the offender had assets which could properly be applied towards reparation or that the sentence was sufficiently short to justify making a compensation order to be enforced after release, no such order should be made against offenders sentenced to imprisonment. Prison earnings were too low, and likely to remain too low, to admit the payment of reparation, and there were special problems involved in the enforcement of monetary payments after any but short sentences for instance, the offender might have to face the competing demands of the victim and of his own family and might resort to further crime to find the money, or he might so resent having to meet an order for compensation on discharge, perhaps long after the offence had been committed, that his rehabilitation and resettlement in the community would be more difficult to achieve. For these reasons a custodial sentence ought, according to the recommendation in the report, to be regarded as ' incompatible with an order for compensation '.

Other Recommendations

Other recommendations in the report were as follows:

(1) The ordering of compensation in criminal proceedings should not as a general rule prejudice the victim's right to sue the offender in the civil courts; thus the section of the Malicious Damage Act of 1861 which provides a bar to civil proceedings for malicious damage should be repealed.

(2) The criminal courts should be empowered to order compensation in respect of offences taken into consideration, as well as in respect of offences of which the defendant is convicted.

(3) Compensation should not be available in criminal proceedings in respect of the consequences of road traffic offences, but the criminal courts should be able to order compensation for damage to property (including vehicles) stolen or taken without authority, which is later recovered.

(4) No limit should be placed on the amount of compensation which may be ordered by courts of assizes or quarter sessions; in summary proceedings, however, there should be a general limit of £400.

Home Office Statement

It has been stated by the Home Office that the recommendations in the report are to be studied by the Home Secretary and that it is expected that a statement will be made on them in the course of the next few weeks.

COURTS BILL

The Bill to bring into effect the recommendations of the report of the Beeching Commission on Assizes and Quarter Sessions [see 7.11.69 p. 986] was introduced into the House of Lords by the Lord Chancellor on 10th November (*Hansard* [HL], col. 602) and given a first reading.

The Bill, which follows almost exactly the scheme proposed by the Beeching Commission, proposes the establishment of a new Crown Court to function as a branch of the Supreme Court and take over the work of assizes and quarter sessions.

Apart from the High Court Judges, the judges of the Crown Court will be known as Circuit Judges. At the outset all existing judges below the level of

High Court Judges will become Circuit Judges. There will also be part-time judges of the Crown Court with the same jurisdiction as the Circuit Judges known as Recorders.

The Lord Chancellor will take over responsibility for the administration of the Crown Court buildings and the staff involved thus laying the framework for a unified Court Service. The Lord Chancellor will also assume responsibility *for summoning jurors.*

The main differences between provisions in the Bill and the commission's proposals are:

(1) Justices of the peace will sit as full members of the Crown Courts, and not as assessors, in certain classes of case, which can be varied or defined by order.

(2) The Recorder and Common Serjeant of the City of London will continue to be known by these names and the City also will continue to pay the salaries and maintain the building of the Central Criminal Court

(3) Only barristers will be eligible for appointment as Circuit Judges

(4) Majority verdicts in civil cases will be permitted.

The Bill contains only the recommendations of the report which require legislation. Many others have been accepted by the Government and are being carried out without statutory sanction For instance, the appointment of Presiding Judges and Circuit Administrators has already taken place.

Defence Policy

WHITE PAPER

On 28th October, following its review of Britain's defence responsibilities and policy, the British Government presented to Parliament a *Supplementary Statement on Defence Policy 1970*, Cmnd. 4521 (HMSO 3s)[1]. The statement outlines the Government's conception of the strategic priorities towards which Britain's defence policy will be directed, the Government's objectives in maintaining Britain's security; and the decisions which the Government has taken to meet these objectives.

The introduction to the statement describes the Government's objectives as three. to enable Britain to 'resume, within her resources, a proper share of responsibility for the preservation of peace and stability in the world'; to improve the capabilities of the armed forces, to overcome their manpower difficulties, and to enhance their role in the community, and to maintain a sound financial basis on which to develop and carry out future defence policy and plans. The decisions described in the statement cover a military contribution by Britain to five-Power defence arrangements in South-East Asia, as well as improvements in the capabilities of the armed forces, some of which enable an increased contribution to the North Atlantic Alliance

Strategic Priorities

The statement reaffirms that the security of Britain rests on the strength of the North Atlantic Alliance, and that 'the maintenance and improvement of our military contribution to NATO remains the first priority of defence policy Britain will continue to co-operate with her allies in order to enable the European members of the Alliance to take a fuller and more effective share of the common defence burden.' The contribution of the British *Polaris* force [see 27 3 70 p. 299] to the Western strategic deterrent will be maintained

But, the statement observes, there are also serious threats to stability outside the NATO area Britain will play her part in countering them by continuing to honour her obligations for the protection of British territories overseas, and those to whom she owes a special duty by treaty or otherwise, by continuing to support the efforts of the United Nations and other international authorities working to eliminate the sources of conflict between nations and to promote disarmament; and by continuing to support CENTO and SEATO

In addition, the Government intends to contribute to five-Power defence arrangements relating to Malaysia and Singapore,[2] and to continue discussions with leaders in the Gulf and other interested countries on how Britain can best contribute to the maintenance of peace and stability in the Gulf area

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[1] The *Statement on the Defence Estimates 1970*, Cmnd. 4290 (HMSO, 10s 6d), the major statement on defence affairs for 1970, was presented to Parliament on 19th February [see 27 3.70 pp. 291-304].

[2] The previous Government had announced its intention to withdraw British forces from their bases in this area by the end of 1971 [see 27.3.70 pp. 291-2]. It was planned also to withdraw British forces from the Gulf by that date. For details of the forces at present stationed in these areas see 27 3.70 p. 298

Five-Power Defence Arrangements

The statement speaks of Britain's long-standing associations with the Commonwealth countries of South-East Asia and the shared interest in the stability of the area. 'The Government believes that the total withdrawal of forces planned by the previous administration would have weakened the security of Malaysia and Singapore; and that a continuing British military presence on the spot will be valuable in helping to preserve confidence in the area. It has therefore proposed to the four Commonwealth Governments of Australia, Malaysia, New Zealand and Singapore that five-Power defence arrangements should be established as soon as possible, which would include a contribution of British forces.

'These arrangements would be based on a political commitment of a consultative nature undertaken equally by all five Powers, relating to the defence of Malaysia and Singapore. They would replace the bilateral Anglo/Malaysian Defence Agreement.

'The Commonwealth Governments concerned have welcomed the British intention to maintain a military presence in the area and the contribution of forces which the Government has proposed. They have agreed to join in working out the new political arrangements which will replace the Anglo Malaysian Defence Agreement. A meeting of Ministers of the five Governments is proposed for next year.'

It is planned that the British contribution, which is designed to complement the forces of the other four Governments,[1] will comprise some five frigates or destroyers on station east of Suez (while the provision of a submarine is being considered); a battalion group, including an air platoon and an artillery battery; a detachment of *Nimrod* maritime reconnaissance aircraft, and a number of *Whirlwind* helicopters. There will also be a considerable number of visits by combat units of all three services for jungle, air and maritime training and exercises in the area.

The statement estimates the extra annual cost of these deployments as between £5 million and £10 million (budgetary and overseas expenditure) but adds that a more precise estimate cannot be made until further studies and consultation (relating for example to possible joint support arrangements with the other Commonwealth forces) have been completed. The effects on NATO force declarations will be small and will be the subject of consultation with NATO.

Royal Navy

The statement considers that the plan to phase out the fixed-wing aircraft carriers in 1972 [see 2.2.68 p. 117] 'would have created a most serious gap in the capability of the Fleet'. It is planned to reduce this gap in two ways: the strike capability of surface ships will be improved by introducing as soon as possible a surface-launched anti-ship guided missile system, *Exocet;* and HMS *Ark Royal* will be retained until the late 1970s.

The French *Exocet* missile system is in an advanced stage of development, and negotiations have begun with the French Government to establish an Anglo-French collaborative programme. It is intended that the system should be widely fitted in surface ships during the 1970s: studies will continue on other means of enhancing the capability of the fleet against surface ships, including submarine-launched anti-ship missile systems.

The *Ark Royal* will be retained until the late 1970s; by then improved weapon systems planned for the fleet including *Exocet* are expected to be in

[1] Malaysia and Singapore have total armed forces of 47,750 and 14,800 respectively. In both cases the bulk of these are in the army, and their naval and air forces are small. At present Australia deploys two squadrons of *Mirage* aircraft, one ship and approximately 12,000 ground troops in the area, and New Zealand approximately one infantry battalion and one frigate.

service on a wide scale; and the new cruisers (through-deck) will be starting to become available, capable of operating V/STOL aircraft if further study shows that their provision would be effective and give value for money [see 27.3.70 p. 299]. ' During the interim years HMS *Ark Royal's* embarked *Phantom* and *Buccaneer* aircraft will provide an invaluable complement to the support supplied by shore-based aircraft to naval forces at sea. Her presence will alleviate the shortfall in the weapon capability of the Fleet. It will also offer a substantial reinforcement of NATO's maritime strength. ' The provision of the extra manpower for HMS *Ark Royal* after 1972 will not require any immediate changes in the current naval programme; however, HMS *Lion* will not now be converted to the helicopter-carrying role. And in view of manpower difficulties and cost, the Government has decided against extending the life of the other operational aircraft-carrier, HMS *Eagle*, which will serve as planned until 1972, operating *Sea Vixen* and *Buccaneer* aircraft.[1]

It is not planned to replace HMS *Ark Royal* with another fixed-wing carrier, and the RAF will still assume responsibility for providing fixed-wing air support for the Royal Navy from shore bases [see 27.8.70 p. 296], but the full implementation of this will now be more gradual. Recruitment for fixed-wing flying in the Fleet Air Arm will not be reopened.

The Army

The statement praises the Army's work in helping to keep the peace in Northern Ireland, but, adding that the Army is seriously short of men, considers that the plan of the previous administration to run down units ' would have left an inadequate provision for unforeseen commitments, and the Territorial and Army Volunteer Reserve [T & AVR] has been so reduced that it no longer includes any uncommitted reserve.' The Government had therefore decided to halt the run down of major units of the Army to the extent that manpower shortages permit, to retain the Brigade of Gurkhas, and to expand the T & AVR in order to make provision for an uncommitted reserve of formed units of trained men and to increase the contribution of reserve forces to NATO.

The statement indicates that the Government would have preferred to cancel the second phase of the reduction of major Army units but had, after a review of the manpower situation, concluded that there was no alternative to proceeding with the run down, subject to two changes. First, the tenth major unit reduction will now not take place; and second, the plans have been modified to provide one additional air portable squadron in the Royal Armoured Corps, one additional Royal Engineer squadron, six infantry companies, and later, it is hoped, one additional Royal Artillery battery. ' These units will be of great value in carrying out essential duties both in this country and overseas; they will be a nucleus for potential expansion in the future.'

The Gurkhas

The Brigade of Gurkhas will remain in being with either four or five infantry battalions. The greater part of the Brigade will continue to be stationed in the Far East, but it is planned to deploy one battalion in Britain. ' The retention of the Brigade of Gurkhas will materially assist in relieving the general strain upon infantry resources and give the Army a greater degree of flexibility in meeting its commitments both in and outside Europe. '

Territorial and Army Volunteer Reserve

The Government has completed a review of the T & AVR, and considers that while its present units have important tasks and are well organised, equipped and trained, there are too few men available to support the regular forces in

[1] The third aircraft carrier, HMS *Hermes* will, as planned, be phased out from her present fixed-wing flying role, and will now be converted to the role of commando-carrier to replace HMS *Bulwark* in the mid-1970s (see *Hansard* [HL], 5.11.70, col. 405).

time of crisis. 'The size of the T & AVR is too closely tailored to specific requirements and takes no account of the need for an uncommitted reserve, available for unforeseen contingencies.' The Government has decided that the provision of such a reserve should be one of the roles of the T & AVR, and further units, with an initial strength of 10,000 men, will therefore be established for this purpose. They will be mainly infantry units, but may include units of other arms and services, with modern equipment, though on lighter scales than those T & AVR units earmarked for BAOR and in the United Kingdom Mobile Force [see 27.3.70 p. 296]. It has also been decided to increase the contribution of reserve forces to NATO by the formation of an additional T & AVR armoured car regiment. The statement adds details of the recruitment and terms of service of these reserve forces.

Royal Air Force

The statement describes 'the two most pressing problems of the Royal Air Force' as a gap in tactical strike reconnaissance capability, and a 'general shortage of front-line aircraft, both for combat and support, particularly in Germany'. The first will be met by the multi-role combat aircraft [see 31.7.70 p. 700]; the Italian Government has recently confirmed that it will continue to participate in this project, described by the statement as an 'important example of European co-operation in defence procurement'.

'*Jaguar*' *Close Support Aircraft*

There is, the statement continues, a particular shortage of close support aircraft. The memorandum of understanding with the French Government envisages production of 200 *Jaguar* supersonic aircraft for each country [see 30.1.70 p. 92]. Development of the aircraft is proceeding well and initial production orders have been placed. It was intended that the Royal Air Force should take two versions of the aircraft: a single-seat operational version which would replace the *Phantom* in the close support role when the *Phantom* takes over the air defence task from the *Lightning* in the mid-1970s, and a twin-seat trainer to replace the *Gnat* and the *Hunter* for the advanced training of pilots who will fly fast jet aircraft. A searching review has been made of flying training plans with the aim of releasing resources to strengthen the front line while maintaining the essential high standards of training. In the light of this review the Government has decided to replace the *Gnat* and *Hunter* with a less sophisticated and less expensive trainer than the *Jaguar* (this replacement is still under consideration) and to increase, within the total purchase of *Jaguar* aircraft for the RAF, the numbers to be built in the operational version in order to augment the *Jaguar* front-line by four squadrons. This increase in the RAF's close support force would 'constitute a substantial increase in Britain's contribution to NATO in this important role'.

Manpower

The statement discusses the manpower and recruitment situation in the armed forces; there are both serious current deficiencies and difficulties in maintaining recruitment at a level sufficient for long-term requirements. Without under-estimating these, the Government intends to do everything possible 'to make life in the Services sufficiently attractive to compete successfully in all respects with civilian employment; and to enhance the status of military service in the national life. The Government recognises that there is no quick solution and that manpower constraints will remain a problem for some time to come, but it also believes that its policies will foster a fuller public understanding of defence and the rôle of the Forces, and thus help to create a climate of opinion favourable to recruitment.'

Defence Budget

The revision of the defence programme has involved a thorough examination of expenditure plans within the review of public expenditure as a whole [see 6.11.70 pp. 947-55]. The task has been twofold: to finance the additional commitments and the improvements in capabilities the Government proposes to undertake; and to examine the whole of the defence programme to see where economies could be made. The Government has now set provisional expenditure targets for the next few years which will involve substantial savings on previous plans, 'thus making a major contribution to the Government's public expenditure objectives'. The new targets (at 1970 Survey prices) are £2,327 million for 1971-72, £2,270 million for 1972-73, £2,290 million for 1973-74, and £2,300 million for 1974-75. The savings will reflect the results of the normal annual review of long-term costing of the defence programme, and the Government's determination to make economies where possible within the priorities of its defence budget. In this respect a number of projects of lesser priority—mainly in the building and equipment fields will be cut or deferred, but these reductions will not affect the capacity to meet planned commitments.

Conclusion

While much work has still to be done to put into effect these decisions, and other parts of the defence programme are still being examined, good progress towards the defence objectives has already been made. In particular Britain is making a 'valuable improvement in its military contribution to NATO: the maritime strength of the Alliance will be increased by the decision on HMS *Ark Royal*, the expansion of the T & AVR will provide an additional armoured car regiment in an emergency, and the revision of the *Jaguar* programme will make possible a major increase of four squadrons in Royal Air Force close support aircraft available to Supreme Allied Commander, Europe. These measures together demonstrate the importance Britain attaches to the need for the European members of the Alliance to assume a fuller share of the burden of defending the North Atlantic Treaty area.'

After consultation with the other Commonwealth Governments concerned the British Government has decided what forces to contribute, as a continuing military presence beyond 1971, to five-Power defence arrangements in the Malaysia and Singapore area. It has also settled firmly what share the defence programme will take of public expenditure as a whole [see 6.11.70 pp. 948-50] over the next four financial years, and how the major changes it plans to make will be accommodated within it. The Government has thus, the statement concludes, demonstrated the importance attached to defence, and made clear 'Britain's readiness within her resources to play a fuller part in the maintenance of peace in the world'

Arms Control and Disarmament

SEA BED DRAFT TREATY APPROVED

Concluding its sessions on 3rd September the Conference of the Committee on Disarmament (CCD) approved its annual report, which has now been submitted to the present United Nations General Assembly. Included in the report, which described the CCD's discussions and negotiations during the sessions which began on 17th February, was a third revised draft treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the sea bed and ocean floor. The draft treaty was approved by the UN First Committee on 17th November.

The first draft of the treaty was presented to the CCD by the co-chairmen the United States and the Soviet Union, on 7th October 1969 [see 19.12.69 p. 1096]: a revised draft was presented on 30th October 1969 and forwarded to the twenty-fourth General Assembly. On 23rd April 1970 the co-chairmen, after consideration of the views of committee members and of the proposals and suggestions made at the General Assembly, tabled a second revised joint draft treaty, containing new language in the definition of the area of the sea bed to be covered by the treaty's prohibitions, and amendments regarding its verification provisions. In response to a proposal by the Mexican delegation an amendment was also incorporated making clear that the treaty would in no way affect the obligations of parties under international instruments establishing zones free from nuclear weapons [see 19.12.69 p 1093].[1] Although a number of delegations now expressed satisfaction with the second revised draft, others suggested that it might be improved and further clarified through additional amendments, and during the following months these delegations proposed such amendments. The substance of some of these were incorporated in the third revised draft of the treaty, which was tabled by the co-chairmen on 1st September 1970. Most delegations expressed support for this draft and the hope that it would be endorsed by the General Assembly and opened for signature at an early date

British Statement

Speaking, on 4th November, to the United Nations First Committee where the draft treaty and other arms control and disarmament questions contained in the CCD's report (including the question of a comprehensive test-ban treaty, chemical and biological weapons and the question of a future programme for general and complete disarmament under effective international control) have been under consideration, Lord Lothian, Minister of State at the Foreign and Commonwealth Office, joined the United States and Soviet representatives in commending the treaty to the committee for adoption. Describing the negotiation of the draft treaty Lord Lothian considered that delegations to the CCD had all shown a 'willingness to reach sensible agreements on the outstanding points of difficulty', and that the draft seemed to meet 'the principal national interests of us all' Commending the draft treaty for adoption he pointed out that, for those who still had reservations, the treaty 'contains its own built-in safeguard in the form of provision for a review five years after the entry into force. It contains also adequate provision for continuing negotiations in good faith concerning further measures in the field of disarmament for the prevention of an arms race on the sea bed This provision, together with the reference to international procedures within the framework of the United Nations in the context of verification, and the important Article IX (the "disclaimer" article), makes me hopeful that the criticisms directed at earlier drafts have now been met. In my view, the treaty before us is a thoroughly worthwhile and carefully elaborated piece of work.'

The draft treaty was approved by the First Committee on 17th November by 91 votes to 2 with 6 abstentions.

The Draft Treaty

Under Article I of the draft treaty parties would undertake not to 'emplant or emplace on the sea bed and ocean floor and in the subsoil thereof beyond the outer limit of a sea bed zone [as defined below] . . . any nuclear weapons or any other types of weapons of mass destruction as well as structures, launching

[1] The Treaty of Tlateloco establishing a nuclear-free zone in Latin America Britain deposited instruments of ratification of the two additional Protocols of the treaty on 11th December 1970. The United States Government has now submitted additional Protocol II for ratification

installations or any other facilities specifically designed for storing, testing or using such weapons', and undertake not to assist or encourage any state to carry out such activities. Article II defines the outer limit of the sea bed zone for the purposes of the treaty as 'co-terminous with the twelve-mile outer limit of the zone referred to in Part II of the Convention on the Territorial Sea and the Contiguous Zone, signed in Geneva on 29th April 1958 and [to be] measured in accordance with the provisions of Part I, Section II, of this Convention and in accordance with international law'.

To ensure compliance with these provisions Article III provides that parties will have the right to 'verify through observation' the activities of other parties beyond the defined zone, 'provided that observation does not interfere with such activities'. If, after observation, reasonable doubts as to fulfilment of the treaty's obligations remain, the Article provides for a consultation process to attempt to remove such doubts, for the co-operation of parties for further procedures of a verification, and finally if there remains a serious question concerning fulfilment of the obligations, for the reference of the matter to the UN Security Council, 'which may take action in accordance with the Charter'. Verification activities 'shall not interfere with the activities of other states Parties and shall be conducted with due regard for rights recognised under international law . . . and the rights of coastal states with respect to the exploration and exploitation of their continental shelves'.

Article IV states that nothing in the treaty shall be interpreted as supporting or prejudicing the position of any party with respect to existing international conventions, including the 1958 Convention on the Territorial Sea and Contiguous Zone, or with respect to rights or claims asserted by a party, recognised or not recognised by other states, 'related to waters off its coasts; including, *inter alia*, territorial seas and contiguous zones, or to the sea bed and ocean floor, including continental shelves'. Article IX also provides that the provisions of the treaty in no way affect obligations assumed under international instruments establishing zones free from nuclear weapons.

Under Article V parties would pledge themselves to undertake further negotiations in good faith concerning further measures for the prevention of an arms race on the sea bed, the ocean floor and the sub-soil thereof. Article VII provides for a review conference to be held five years after the treaty's entry into force, 'with a view to assuring that the purposes of the preamble and the provisions of the treaty are being realised'. The further Articles of the draft refer to procedures for amendments, withdrawals, signature, ratification, and for its entry into force after ratification by 22 governments.

The Commonwealth

FOREIGN AND COMMONWEALTH SECRETARY'S SPEECH

The Secretary of State for Foreign and Commonwealth Affairs, Sir Alec Douglas-Home, addressing the Commonwealth Press Union at their quinquennial conference at Gleneagles in Scotland on 7th October, dealt with the question of disagreement within the Commonwealth.

Right of Individual Decision

While acknowledging that if the existence of the Commonwealth was to have meaning it implied 'a desire to seek a broad identity approach to world problems, in discussion and consultation and action', Sir Alec said that 'had

the right been conceded in the Commonwealth circle of countries to intervene in the ultimate judgement of the others about their own affairs, there would already have been a number of Commonwealth casualties'. He pointed out that the 1969 Commonwealth Prime Ministers' Conference had made it clear that there was now a basic convention that such meetings should not discuss internal affairs of individual members without their express permission, and that this reflected the principles of the Charter of the United Nations. India had taken this stand over Kashmir, while Nigeria could not have admitted Commonwealth interference in her recent civil war. Matters concerning their external relations were also for individual members to decide. Some members had looked to Communist countries for defence and assistance, despite the fact that this was distasteful to many other members. 'But even when the armies of two Commonwealth countries were fighting each other no one threatened to leave the Commonwealth in protest and no one talked of expulsion of the members concerned' Sir Alec said.

Throughout such difficulties Britain and other members had made the strongest efforts to keep the Commonwealth in being, recognising that while in its new form it could not achieve its former cohesion, it could nevertheless be an association in which members could discuss affairs in tolerance and understanding. 'And if we could concentrate on points of agreement rather than emphasising and exploiting points of difference then we could arrive at a programme of action which would be advantageous to all'.

Benefits to Developing Countries

Britain had always been active in discussion and consultation with a view to such common action. Time and again British policies had been modified in deference to this or that Commonwealth point of view. 'Our objective has always been to hold the family together, not to rule it, and certainly not to end it,' Sir Alec declared. If the British Government had been governed by a narrow conception of British interests it would not be making such efforts to seek protection for certain essential Commonwealth interests in its negotiations for entry into the Common Market, nor would it have taken so positive a lead in the second UNCTAD for a scheme for generalised preferences for the Commonwealth. Neither would Britain be devoting so much of its resources to all forms of development assistance and concentrating this on the Commonwealth in preference to other areas of the world. At present 90 per cent of Britain's bilateral aid went to Commonwealth members. Britain traded more for its size with the developing world than any other industrial country; most of this trade was deliberately cultivated with the Commonwealth countries of Asia and Africa. For 17 of those countries Britain was still the principal supplier; more important it was the principal market for 15. This gave them something which no aid could supply and of which they stood most in need—a trade surplus. In 1969 Britain bought £130 million sterling more than it sold in Commonwealth Africa.

The flow of aid was not restricted to capital and trade, but included people. There were over 14,000 British teachers or technical advisers working in the Commonwealth under government schemes, and in 1969 there were over 40,000 Commonwealth students at institutions in Britain.

Sir Alec stressed Britain's pride in these services. The British Government, even in times of domestic financial stringency, sought to expand them, recognising how much remained to be done in assisting developing members of the Commonwealth. 'Some day there will be a cross fertilisation—a flow of capital and expertise between the various partners. But till then it is Britain and a few others in the Commonwealth who must carry the cost.' Britain gladly carried the cost of the greater part of this investment and aid. 'It is for that, more than any other, reason that I regret it when for one reason or another countries talk of

leaving our Commonwealth association because they disagree with this or that policy of one particular partner,' Sir Alec said.

Without the Commonwealth it would be far harder for a British Government to receive the backing of public opinion for aid on the present scale, especially in time of financial stringency at home. 'The Commonwealth idea carries with it in the public mind a sense of historic obligation which makes sacrifices justified, and we can do, under the Commonwealth umbrella, what we could never do for Commonwealth countries if that umbrella was taken down. . . .'

Sale of Arms to South Africa

Such talk had arisen because the British Government had an agreement with South Africa under which it had been accustomed to share the defence of the sea routes in the waters bordering South African shores in the South Atlantic and the Indian Ocean. 'It is not yet time,' the Foreign and Commonwealth Secretary said, 'for the Government to take its decision on the sale of arms in the context of this agreement and in the context of the defence of the sea routes. More consultations with South Africa and with Commonwealth Heads of State and Prime Ministers are due.'

It had been said that if the British Government were to decide on the provision of such armaments, even if they were limited to the defence of sea routes, Britain would be taking a racialist side. 'I say with absolute confidence', he declared 'that there is not a member of the African or Asian Commonwealth, old or new, which does not know in its heart that such an accusation is totally untrue I leave aside the fact that we have sold far more arms to African Commonwealth countries than we have ever done to South Africa or are ever likely to do'

He continued: 'Some countries have not experienced the impact of Communist power We have seen it in Europe, we have seen it gain ground in the Mediterranean and the Middle East and we have observed this pattern of expansion over a number of years. In Europe we have had to expend much of our wealth in order to maintain our freedom . . otherwise we should have been overrun We know what this means; we have had experience of it, and so has Czechoslovakia. What we have seen in Europe and the beginnings of what we see in the Mediterranean is, without question, going to be translated at some future time into the Indian Ocean and towards the countries on its shores.

'If our policies and our foresights in these matters are right, and if we want to remain free, it is right to look forward to the possibilities and to guard against them. So, in our policies, we shall never be influenced by questions of race, but we are influenced by the need to ensure our own survival and, what is more, the survival of other people who are now free but could easily lose their liberty. I hope, then, that none of us will talk in future in terms of breaking up the Commonwealth. If one partner dislikes the policy of another, let him deal with that other and not prejudice the benefits that flow to so many from the whole. Britain will always give weight to the views of her partners.'

Sir Alec concluded: 'We reject any suggestion of racial discrimination in our practice . . . the facts and the morality in this matter of race and the granting of independence are on the British side, and all we ask is honesty about these facts. Let us in the Commonwealth therefore respect other's motives and honesty of purpose. Let us discuss and let us consult and let us listen and let us seek consensus and in so doing seek to arrive at the maximum agreement rather than concentrating on the differences that may arise.' While doing these things the right of each country in the Commonwealth, including Britain, to be the judge of its own interests must be admitted, 'because that is what independence in reality means'.

Anglo-Soviet Relations

In the recent past the development of Anglo-Soviet relations has been marked by the conclusion of a series of intergovernmental treaties and agreements, by an increase in contacts at many levels, and by a significant increase in trade.

A long-term trade agreement, which came into force on 1st July 1969,[1] has provided a framework for the continued expansion of Anglo-Soviet trade which, since 1959, has increased threefold. During this period British exports to the Soviet Union have increased from £35 million to £97 million in 1969, while Soviet exports to Britain in 1969 totalled £197 million. At present Britain's main imports from the Soviet Union are timber, furs, textile fibres and non-ferrous metals. Exports to the Soviet Union include plant and machinery for the textile, chemical and other industries; chemical products; man-made fibres and yarns; and a small but increasing quantity of consumer goods. Since this forms only a small proportion of each partner's global trade it is considered that there is room for further expansion. In this respect an important development was the visit to London, during September, of a delegation representing the Soviet Planning Commission and industrial ministries to discuss with the Confederation of British Industry, with individual companies and with government departments the question of British co-operation in the development of Soviet industry, including mineral exploitation and container transport.

Agreements such as that for co-operation in applied science and technology (January 1968) and that on relations in the scientific, educational and cultural fields (March 1969)[2] are facilitating contacts and co-operation in a wide range of fields. In March 1970 a joint working party met in Moscow, within the framework of the technological agreement, to discuss collaboration on the development of information retrieval systems for science and technology. In June, following the visit of a Soviet aeronautical delegation to London, it was agreed that the two countries would exchange information on a range of civil aviation topics equivalent exchanges of information have also recently been agreed for the machine tool and construction industries In education the two countries began an exchange of students this year, while in April the first meeting was held of the Anglo-Soviet consultative committee, the establishment of which was agreed upon during the visit of Mr. Kosygin to London in February 1967 [see 3.3.67 pp. 220-6] to further contacts in such fields as culture, science and technology.

[1] Cmnd. 4132, HMSO, 1s 3d.
[2] Cmnds. 3710 and 4063 (HMSO, 1s 3d and 2s) respectively.

New Pattern of Government

SPEECH BY PRIME MINISTER

At the annual conference of the Institute of Directors at the Albert Hall on 5th November, the Prime Minister, Mr. Edward Heath, outlined his policies for 'less and better government' as follows:

'This Government has now been in office for four and a half months. It is fair to say that during that time we have established a completely new pattern for the Government of this country. Rarely if ever in British history has there been a period of such concentrated change--change which has been carefully thought out, change which has been thoroughly worked out, change which will prove to be of immense benefit to our country.

The Philosophy behind the Actions

'The philosophy on which we are acting is exactly the philosophy about which I spoke two years ago in this Hall to this audience.

'We have changed the machinery of government and provided means for improving the quality of the decisions which are reached by the Cabinet and throughout Whitehall.

'We have begun the work of questioning and reducing the scope of government. Already we have ended the existence of several state boards and commissions and the casualty list is by no means complete. Some of these bodies were set up for purposes with which we do not agree. Others were established for purposes which were admirable but which in our view need not be carried out by the state at the expense of the taxpayer.

'We have acted to cut government expenditure and to reduce the burden of taxation which falls on the individual and on the firm. This in itself is a landmark in the recent history of Britain.

'We have acted to reform and bring up to date our inadequate system of industrial relations. We have set a new course in social policy with our arrangements for supplementing family incomes and for reorganising the whole basis of the housing subsidies. In both instances our aim has been to find quick and effective means of concentrating effective help on those whose need is greatest.

'I want to be quite clear about the final objective which we seek. We are not trying to impose or dictate. Our aim is exactly the opposite. We have acted on the belief that within this country there are reserves of skill and energy which will only be used to the full if we create a new and up-to-date framework for our society. We are now providing such a framework. From now on, therefore, it will be up to the individual to make good use of the extended freedom which he will enjoy and of the opportunities which will be available to him.

Incentives and Competition

'In no part of our community is this more important than in the business world. The leaders of that world have for years expounded the need for incentives

as the key to better performance. Now the incentives are on their way and the challenge to the business community, whether it be in the fields of industry or finance, is clear and inescapable.

'The continuing growth of public expenditure weakened industry in two distinct ways. The level of expenditure that had been reached required for its financing a tax burden that blunted enterprise and initiative. More and more activities were being financed by government rather than from private, commercial or industrial sources. This not only weakened the effects of competition, as companies in difficulties found it increasingly possible to be bailed out by government agencies; it also tended to undermine the strength, flexibility and judgement of the banks and City institutions whose functions the state-financed bodies were in danger of usurping.

'We have announced our decision to wind up the Industrial Reorganisation Corporation and to repeal the general provisions of the Industrial Expansion Act. Many industrialists, perhaps some of you here today, looked on these activities with an almost indulgent eye. They provided after all a possible source of additional finance, and the IRC did have a capable and experienced staff and board. But the philosophy on which the measures were based was unsound for those weakening effects I have just mentioned. We are putting the responsibility for the financing of companies and the promotion of changes in industrial structure firmly back to the market, where it belongs

'We have made it clear that the Government will seek to intervene in or influence the decisions of industrial management to a much smaller extent in the future. This is an integral part of our philosophy of greater freedom and responsibility and less government intervention.

'What it does mean is that the Government will take those decisions which are proper to it—whether in introducing legislation or policies as part of our overall strategy for managing the economy, or in purchasing goods or services from industry—in such a way that efficiency and enterprise in industry is encouraged.

'But we shall not get efficiency in the nationalised industries if they have confused and changing objectives or if they are subject to continuing intervention on matters of day-to-day management. We must establish clearly the framework in which they operate, give them clear objectives and see that there are proper arrangements for holding management to account.

Three Areas of Government Concern

'There are however three areas where I believe the Government has both a right and a duty to concern itself with the framework in which industry operates The first is regional policy. We cannot tolerate the human and social distress caused by heavy and persistent unemployment, nor can we afford, from an economic standpoint, to let those resources stand idle.

'We have initiated a thoroughgoing review of regional policy. We have already announced the replacement of the former investment grants by more cost-effective measures to attract viable and prosperous firms to development areas, in particular free depreciation and extended assistance under the Local Employment Acts.

'A second area where Government has both a right and a duty to concern itself with the framework in which industry operates is industrial relations.

'The consultative document which the Government published a month ago establishes the fundamental principle that both sides have equal rights and obligations in the proper conduct of industrial relations. A good deal has been heard recently about the effect of the proposals on the trade unions. You will, I hope, be looking at some of the implications for management. The consultative document emphasises the prime responsibility of managements for ensuring good human relationships in industry. Managements are well placed to take the necessary initiatives. They will in future have new responsibilities.

'The aim of our proposals is not to encourage litigation. The Government recognises that sensible employers—and trade unionists—will want to solve their problems themselves. The Government cannot, and does not wish, to do this job for them.

'A third major area where I believe the Government has a duty to concern itself with the framework in which industry operates is overseas trade.

'The most immediate issue is our application to join the European Economic Community; we are currently engaged in negotiations which are beginning to move and if we and the other candidate countries are successful in negotiating entry into Europe on the right terms, this will profoundly affect not only the outlook for British industry, but that for European industry as a whole. We are now embarking on a new phase of the negotiations and we and the Community hope that the major issues will have been presented by the end of the year. Certainly we must maintain the momentum of the negotiations and I believe there is a sincere wish on both sides to have agreement in sight on the major topics by next summer.

'There will be nothing cosy or comfortable about this change in climate for industry. It is a hard discipline to take your own decisions and to face their consequences. But this is a challenge which British firms must meet if our country is to prosper in the 1970s. I wish you personally and your firms every success in your endeavours.

'There is nothing divisive in a society where the able and energetic are encouraged to succeed, and where the community ensures that part of the fruits of their success go to give effective help to those who stand in real need. This is the philosophy which inspires the changes which we have made. It will inspire our actions in the future. Upon its success will depend the future of this country, and of its people, not simply during the next five years but for decades to come.

'I am convinced in my own mind that this is the only concept on which we can found a happy and united nation.'

PRICES AND INCOMES

On 2nd November, the Secretary of State for Employment, Mr Robert Carr, made a statement in the House of Commons, announcing the Government's intention to wind up the National Board for Prices and Incomes and to establish three specialised pay review boards (for senior officers in public employment, the armed forces and doctors) and a new Office of Manpower Economics. The statement was as follows.

'I announced on July 23rd that the future of the NBPI was being reviewed in the context of a wider examination covering the work of the Monopolies Commission and other relevant bodies. We have now reached the conclusion that the board itself should be wound up when the work on which it is at present engaged has been completed. Legislation will be introduced in due course.

'In the public sector there is a clear need for co-ordinated machinery for advising the Government on the remuneration of certain groups for whom no negotiating machinery is, for one reason or another, appropriate. The Government intends therefore to establish at an early date three Review Bodies with a degree of interlocking membership. One will advise on the remuneration of the boards of nationalised industries, the Judiciary, senior civil servants, senior officers of the Armed Forces and such other groups as might be appropriately considered with them. Another will advise on the pay of the armed forces generally. A third will advise on the remuneration of doctors and dentists in the National Health Service. The Review Bodies will have at their disposal and working to their directions a Secretariat provided by a new Office of Manpower Economics.

'The Government also intends to use the new office to service any ad hoc inquiries which are necessary from time to time to examine in depth particular pay structures and related problems. The office will also carry out analytical and educational work on more general matters affecting pay and its relation to productivity, either at the request of Ministers or with the approval of Ministers. The office will not be part of the Government machine and its reports will be independent. Consultation will take place with the interests concerned about the detailed arrangements.

'A statement on the Government's proposals for strengthening and developing the work of the Monopolies Commission will be made at an early date.'

REALLOCATION OF RESPONSIBILITY FOR RESEARCH

On 10th November, during a debate on the reorganisation of central government in the House of Lords, the Lord Privy Seal, Earl Jellicoe, took the opportunity of announcing a decision following on the main departmental changes [see 4.11.70 p. 933]. Responsibility for certain specialist research laboratories, which were previously part of the Ministry of Technology, had been reviewed. Accordingly the Water Pollution Research Laboratory, the Hydraulic Research Station, the Forest Products Research Laboratory and the Fire Research Station would be transferred to the Department of Environment with effect from 1st January 1971, together with the responsibility for administering grants to the Water Research Association, the Construction Industry Research and Information Association, the Heating and Ventilating Research Association and the Timber Research and Development Association.

Economic Development Committee Reports

TEXTILES AND FOOD MANUFACTURING

Two further reports in the series concerned with reviewing the prospects for individual industries in the light of the Green Paper *The Task Ahead* have been published by the National Economic Development Council [see 13.3.70 pp. 271-4]. The reports[1] are entitled *Economic Assessment to 1972 Industrial Report* (1) by the Joint Textile Committee and (2) by the Food Manufacturing Economic Development Committee. The chief findings and recommendations are summarised below.

Textiles

The report on textiles, prepared by the Joint Textile Committee formed in 1969, is based on assessments of each of the 12 principal sectors of the industry and co-ordinates these as far as possible to provide a 'pan-textile' examination of prospects to 1972.

Scope and Size of the Industry

Of the 12 sectors covered by the report, three—clothing, carpets and household textiles—are predominantly producers of consumer goods, one—hosiery and knitwear—produces both consumer goods and an intermediate product (weft knitted fabric), whilst the remainder produce mainly intermediate, non-consumer products.

[1] Available free from the National Economic Development Office, 21-41 Millbank, London SW1

The textile industry accounts for about 9 per cent of the total net output of all manufacturing industries and absorbs some 12 5 per cent of the total manufacturing labour force. As these figures indicate, the industry is, in general, labour intensive and productivity is relatively low; average output per head in 1968 was £1,374 compared with £1,982 for all manufacturing industries. However, with exports in 1968 valued at £455 million and imports at £305 million, the industry had a favourable trade balance of £150 million.

Discussing the proportion of net output accounted for by individual sectors, the report notes the striking differences in their capital intensiveness. For example, the man-made fibre sectors contributes about 12 per cent of net output but employs only 4 per cent of the labour force, while the clothing sector provides 27 per cent of net output and accounts for about 36 per cent of total employment.

Forecast of Production, Manpower and Exports

The committee expects that in the period covered by its assessment, the textile labour force (excluding clothing) will decline by 2·4 per cent, more than twice as fast as envisaged in the Green Paper. This has implications both for the number likely to be released on to the labour market and for productivity, given that output (at constant prices) is expected to increase by 4·4 per cent per annum. Productivity in all the main sectors should increase considerably faster in the period 1968-72 than it did in 1963-68, with cotton and allied textiles showing the best performance in doubling its rate of growth to 10 5 per cent a year. Output per head in the man made fibre sector is expected to continue to rise at a rate of around 10 per cent per annum.

Realisation of the committee's export projections would mean an improvement in the trade balance of over £100 million to give a figure in 1972 of £255 million. This, the report says, would be 'a dramatic increase, reflecting a marked shift in the industry's competitive position'.

Capital Requirements

The committee has not attempted to prepare forecasts of the capital requirements of the industry as a whole. It does, however, emphasize the need for a higher level of investment in all sectors, necessitated not by insufficient capacity but, with the exception of certain high-growth areas, by capacity of the wrong kind. Anxiety is expressed as to whether an adequate increase in capital expenditure will be forthcoming while profitability in some sectors remains low. In at least three important sectors—cotton and allied textiles, hosiery and knitwear, clothing and wool textiles—the average return on capital has been below the average return for manufacturing industry as a whole. Previous reports on these sectors have recognised the need to encourage liquidation of unprofitable businesses, and this points to a continued reduction in the number of firms active in the industry.

An important conclusion arising from the report is that the boundaries between the various sectors are becoming indistinct. In most areas of the market two or more of the conventionally defined sectors are in competition with each other and many textile companies are now multi-sector, multi-fibre, and multi-process groups. This development reflects primarily the rapid technological advance of the man-made fibre industry, although new types of textile processing machinery have also played a part.

Food Manufacturing

The food manufacturing industry comprises between 3,000 and 4,000 enterprises and forms a substantial part of the UK economy, employing nearly one-twelfth of the workers in manufacturing industry and accounting for a similar proportion of net output.

Forecasts of Production, Exports and Manpower

The EDC forecasts that the growth of the industry's output between 1968 and 1972—estimated at an average of some 2 per cent a year—will be accompanied by a continued decline in the market share of raw and semi-processed foodstuffs. Within the manufactured foods area, the growth rate for individual sectors will vary, with a steady increase in the share taken by 'convenience foods', which already represent about one-fifth of total consumption. The share of the home market supplied by imports is expected to grow, although recommendations arising from current EDC studies of certain home produced foods and agricultural produce may indicate how, in the longer term, this trend could be reversed. The report envisages that exports of manufactured foods, which in value terms are currently equivalent to about one-fifth of imports, will increase by an average of 3 per cent to 4 per cent in the period under review. This means that the negative trade balance is likely to remain fairly constant, with the possibility of the gap diminishing in the late 1970s.

Turning to employment, the EDC feels that demand for labour will decline slightly, implying as during the past five years a small annual increase in productivity. In view of the trend towards the employment of more women in the economy, the industry, which has a high proportion of female labour, may in the future be faced with recruitment difficulties. The committee believes that to obtain the labour it needs the industry will have to bring more married women into its labour force, and/or make substantial increases in wage levels.

Capital Requirements

The EDC had previously forecast that the industry's capital investment would increase to about £150 million a year by 1972. It now thinks that with the downward pressure on prices caused by the increasing power of distributors and government action, this level is unlikely to be reached in the next two or three years. Since some £50 million of the investment would be needed to replace existing plant, it may be that in some sectors there will be reduction in capacity. The structure of the industry has changed considerably within the past decade, and a combination of the trend towards concentration into large groups covering several sectors is expected. In most cases, the companies which have participated in recent mergers are of at least moderate size, so that a polarised pattern is emerging with a few large companies, many small ones but few in between.

The report contains several recommendations which the EDC is making to the Government. These include: changes in some aspects of fiscal policy, the variability and unpredictability of which have seriously affected the industry's ability to plan ahead; improvement of government-sponsored research for the food industry; the provision of additional official backing to assist in carrying out overseas market research and development; and the preparation of a study assessing future manpower needs and resources for the industry.

British National Export Council

ANNUAL REVIEW 1969-70

The 1969-70 annual review[1] of the British National Export Council (BNEC) was published in October. The council, which was formed in 1964 for the purpose of promoting exports by 'bringing buyer and seller together so that British business can sell and earn more, profitably, overseas', aims at avoiding

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[1] *British National Export Council. Annual Review 1969-70.* BNEC, 6-14 Dean Farrar Street, London SW1.

duplication of the export services provided by the Department of Trade and Industry and thus, rather than providing services to individual firms, acts to make industry aware of the opportunities for doing new business through the various promotions mounted overseas with assistance from the department. In support of this activity, the report states, BNEC has since 1964 published some 180 market reports on various overseas trade areas and has run over 1,300 trade missions abroad as well as bringing groups of foreign buyers to Britain. In addition, the report continues, BNEC has developed specialised activities to fill gaps in the official services and has aided groups of manufacturers in Britain to set up their own export-promoting bodies.

During the year under review BNEC has been studying how it might more effectively determine its priorities and targets in export promotion and find means for analysing the cost effectiveness of these operations. It has also been engaged in a study with the Department of Trade and Industry and the Foreign and Commonwealth Office on the overall use of resources for export promotion, the first effect of the study has been to highlight the imbalance between the main expenditure on consumer goods promotions and the lesser spending on capital goods while at the same time showing that overall expenditure has fairly accurately matched the importance of present export markets.

The review continues with a report of the council's activities during the year, including the inauguration of the highly successful BNEC Export Award for Smaller Firms launched in October 1969 in conjunction with the British Overseas Airways Corporation, and the establishment of new product-based export groups to work in conjunction with BNEC's regional councils. The review concludes with reports on the activities of the eleven BNEC regional councils (for Africa, Asia, Australia and New Zealand, Canada, the Caribbean, Middle East, Europe, Israel, Latin America, Southern Africa and the United States of America).

Marine Pollution

NEW LEGISLATION

The second reading of the Oil in Navigable Waters Bill took place in the House of Commons on 30th October (*Hansard*, cols. 572-616). The main purpose of the Bill is to enable Britain to accept and put into effect amendments to the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, which forms the basis of the law of all maritime countries on this subject. The amendments are based on British proposals discussed within IMCO (the Inter-governmental Maritime Consultative Organisation), a United Nations agency with headquarters in London. A Bill was introduced in May 1970 but failed to become law before the dissolution of Parliament prior to the June general election. Britain already enforces restrictions on pollution through the Oil in Navigable Waters Acts of 1955 and 1963. Discharge of oil into British territorial waters was first restricted in 1922. Under the existing Acts Board of Trade surveyors in 1969 carried out 2,267 inspections of ships, and 80 prosecutions were made, resulting in 77 convictions.

Present Position

At present the 1954 convention as amended, which has 42 members, forbids discharge of persistent oils (crude oil, fuel oil, heavy diesel oil and lubricating oil), and mixtures containing such oils in a proportion of 100 parts or more per million parts of the mixture, within 100 miles or in some cases more of any coast, in particular into the whole of the North Sea, the Channel, over 1,000 miles

westward across the Atlantic and south to Finisterre. New ships (i.e. ships built after 18th May 1967) are forbidden to make such discharges anywhere at sea

Latest Amendments

Under the new amendments all seas will become a prohibited zone, the prohibition relating to discharges of persistent oil exceeding the instantaneous rate of discharge of 60 litres of oil per mile: a rate of under this level has been shown not to give rise to a lasting slick. No oil whatever may be discharged from the cargo spaces of tankers within 50 miles of land. The amount which may be discharged by a tanker during a ballast voyage is fixed at one fifteen-thousandth of its cargo-carrying capacity. Ships other than tankers and the bilges of all ships, which are not subject to the 50-mile ban, may only discharge mixtures with an oil content of less than 100 parts per million as well as meeting the 60-litre-per-mile limitation.

The New Bill

The provisions of the new Oil in Navigable Waters Bill were explained in the House of Commons by the Parliamentary Under-Secretary of State for Trade Mr. Anthony Grant. The main clause enabled the Government to apply the new restrictions to British-registered ships; other clauses included provision of power to make regulations governing the keeping of oil record books on board ship, and increased the maximum fine on summary conviction (there is no limit on fines on indictment) for illegal discharge of oil or breaking of regulations controlling fitting of preventive equipment on ships, from £1,000 to £5,000 The final clause enables the Government to bring the different provisions into force by Order at different times as may be found necessary. The new amendments to the convention take effect internationally 12 months after two-thirds of the signatories have formally accepted them, a process which may take some years However, the Government intends to apply the provisions to British ships as soon as practicable after the Bill becomes law

TANKER ACCIDENT

On 23rd October a collision between two Liberian registered tankers, the *Pacific Glory* and the *Allegro*, off the Isle of Wight resulted in an explosion and fire on board the *Pacific Glory*, resulting in the loss of a number of the crew and some escape of oil from the wreck. A statement was made in the House of Commons on 27th October (*Hansard*, col. 31) by the Secretary of State for Trade and Industry, Mr. John Davies. The Secretary said that tugs and naval vessels under the control of his department had succeeded in dispersing the initial escape of oil before any pollution of beaches occurred. The early stages of the firefighting and salvage operation were conducted by the Navy, but salvage had now been taken over by a Dutch salvage company appointed by the owner (a Hong Kong company), who would work in co-operation with the Navy and the Shell oil company, the charterers of the ship. Marine surveyors of the Department for Trade and Industry were carrying out a preliminary inquiry into the accident under the Merchant Shipping Acts.

The responsibility of dealing with any pollution of beaches rested with the Secretary of State for the Environment. Since the *Torrey Canyon* accident [see 28.4.67 p. 463] all the coastal authorities in the area had prepared plans for such a contingency. An operations room within the Department for Environment was then being manned on a 24-hour basis to receive reports on pollution risks, and daily contact maintained with local oil pollution officers.

The *Pacific Glory* was later towed to Lyme Bay, Dorset, where salvage work was continued, and the tanker then departed for Rotterdam. An Admiralty writ has been served on the *Allegro*, claiming damages and expenses incurred by oil leakage. The *Allegro*, which received only slight damage in the accident, has since been released on security of a £1·5 million bond. A Liberian Government inquiry into the accident has been taking place in London.

COLLOQUIUM ON OIL SPILLAGE

Speaking on 2nd November at the opening of the NATO Colloquium on Oil Spillage in Brussels, the Parliamentary Under-Secretary of State for Trade said that the British Government was glad to take the opportunity to reaffirm its policy in seeking to eliminate pollution by oil at sea. The elimination of pollution generally was among the Government's first objectives and elimination of pollution at sea high among its priorities for action Among issues on which governments could take early and practical action he mentioned:

(1) Implementation of the amendments to the International Oil Pollution Convention agreed upon in 1969, and already acted upon by the British Government (see pp.1025-6).

(2) Determined enforcement of the amendments, by inducing tanker operators universally to adopt the 'load-on-top' or other similar methods (under which very little oil is discharged into the open sea during tank washing), and prevention of routine dumping of tank washings.

(3) Implementation of the two Brussels Conventions of 1969 relating to intervention on the high seas and liability of oil pollution damage [see 25 9.70 pp. 835-6] The British Government intended to ratify these conventions shortly.

(4) Limitation of size of compartments in very large tankers, an issue now before IMCO.

The Under-Secretary also urged further improvement in exchange of information on the existence of oil spills, referring to the agreements already made between countries around the North Sea In addition the British Government was anxious for exchange of information on equipment which might be lent between countries, expressing appreciation of the action of the Netherlands authorities in offering the services of two craft to assist, if necessary, in dealing with pollution from the *Pacific Glory* (see p.1026) Information on research work should also be freely shared

POLLUTION RESEARCH

It was announced by the Department of Trade and Industry on 3rd November that a large-scale experiment on the burning of crude oil was to be carried out shortly as part of its programme of research into pollution of the sea by oil. This followed a series of small tests conducted jointly by the Department's Warren Spring Laboratory at Stevenage, Hertfordshire, and the Ministry of Aviation Supply's Rocket Propulsion Establishment at Westcott, Buckinghamshire, where the work was being carried out The final experiment involved burning about 200 tons of crude oil in a cubical tank some 25 feet high, the oil being drawn from a small oil field in Nottinghamshire. It was expected that a pillar of smoke of from 420 feet to 2,000 feet according to wind conditions would be created, and that the oil would burn for about 24 hours. The main object was to study the factors affecting the rate of burning of crude oil, of which very little was at present known.

Air Pollution and Motor Vehicles

ROYAL SOCIETY TECHNOLOGY LECTURE

The amount of harmful gases sent into the atmosphere from car exha could be reduced, but cars and petrol would be more expensive as a re These conclusions were expressed to the Royal Society on 22nd October Lord Rothschild, formerly Research Director of the Royal Dutch/Shell gr and recently appointed head of the Government's new central policy rev staff in the Cabinet Office [see 6.11.70 pp. 937-8].

He said the cost of engine refinements, changes to the fuel intake and i tion systems and the addition of ' black boxes ' to filter the exhaust system wo amount to about £50 to £100 per car. High-quality petrol without a lead additi would cost an extra 3d or 4d a gallon, an increase to the average British moto of £5 to £10 a year. Even then, Lord Rothschild added, car performance mi not be up to today's standards.

Petrol and Pollution

Delivering the Royal Society technology lecture, entitled Petrol and Po tion, Lord Rothschild said that the number of motor vehicles in the Uni Kingdom was expected to rise from 16 million in 1970 (12½ million of them c to 27½ million in 1985 (23 million cars) In comparison there was in 1968 a t of 100 million vehicles in the United States, where smog and air pollut problems were much greater in many areas than in Britain

Carbon monoxide was one of the exhaust emissions that could be harm at sufficient concentration. Checks made in Fleet Street London, in 1962 l shown levels well below the maximum allowable, and no significant increa had been observed since. At present, concentrations of this order gave li ground for worry and it might be that the number of cars in London was alrea so great, and the congestion so bad, that not much increase in its car populati could be envisaged.

In special circumstances, however, he continued, such as in tunnels during temperature inversion when the atmosphere was motionless above a c the concentration of carbon monoxide might become dangerous Thus th was a case for doing something before rather than after a danger point w reached. In any case, the needs of the car export business would force Bri manufacturers to take action even if it were unnecessary in the United Kingdo

There were two other main exhaust emissions that could be harmful unburnt hydrocarbons and nitrogen oxides. Under the influence of the ultı violet component of sunlight the nitrogen oxides reacted with unburnt hydı carbons of a particular type (olefins) to produce smog, as in Los Angeles

The weather, however, was quite different in the United Kingdom a Europe from that in California in general and Los Angeles in particular, a photochemical smog of the Los Angeles variety was scarcely known on this si of the Atlantic, except occasionally, and less intensely, in Rome, Milan ai Madrid. The reasons for controlling the concentrations of nitrogen oxic and hydrocarbons in car exhausts might therefore be less cogent in Britai Nevertheless it seemed quite likely that such concentrations, as well as that carbon monoxide, would be controlled.

Lead Additives

Adding lead to petrol, Lord Rothschild explained, was the best and cheape way of preventing engine knock, or ' pinking ', but there was little eviden that the environment was becoming contaminated by lead in exhaust emissior Lead, however, did interfere with the efficiency of catalysts that could be us

to reduce the concentration of potentially harmful exhaust emissions such as carbon monoxide.

Lord Rothschild said that there were differences of opinion among the experts as to whether lead would eventually be entirely removed from petrol. On the other hand, legislation had already been proposed in a number of countries which, if passed, would enforce the production of lead-free petrol during the next ten years or so.

The cost of converting refineries to produce high-octane 'anti-knock' petrol without lead additives would be very great indeed. The alternative of lower-octane petrol would require larger engines with lower compression ratios and that would mean fewer miles to the gallon.

The Future

Looking ahead, Lord Rothschild said that it was possible to use propane,[1] butane or liquefied natural gas instead of petrol, but on a very limited scale. Vehicles could also be powered by gas turbines, electric batteries, steam or fuel cells, but cost, speed and range would be limiting factors. Another possibility, was hybrid cars using petrol for country driving and batteries for town, but they, too, would be expensive. None of these would displace the internal combustion engine, suitably modified to take account of the real or imaginary fears about car exhausts.

Lord Rothschild concluded: 'That is not to say that cars will remain the same for the next twenty years apart from the black boxes in their exhaust systems and elsewhere. If one includes noise and congestion within the concept of pollution, no one can doubt that something will have to be done in London, New York and Tokyo.'

[1] The London taxi company W. H. Cook and Sons is converting within the next year its fleet of 130 cabs to use propane gas. After operating a pilot scheme of 12 converted cabs during the summer, the company has found that the gas fuel gives a quieter, smoother ride and that drivers are less affected by fatigue. The cost of conversion is reported to be about £130 to £150.

Environmental Conservation

THE COUNTRYSIDE IN 1970 CONFERENCE

The protection of the countryside, the avoidance of pollution, and the stri of the right balance between the needs of conservation and development among the most important and the most difficult tasks facing the Governm in the view of the Prime Minister, Mr Edward Heath, in a speech addresse The Countryside in 1970 Conference held in London from 26th to 28th Octo The conference, which was sponsored jointly by the Council for Nature, Nature Conservancy and the Royal Society of Arts, was attended by over delegates representing many organisations sharing a common interest in countryside and its resources

The programme included addresses and discussions on major the associated with the preservation of the countryside agriculture and fores urbanisation, industry, social issues, leisure, responsibilities for the envir ment, and choices and opportunities for the future In addition to the Pr Minister, the principal speakers included the Duke of Edinburgh (the Presi of The Countryside in 1970), and Dr. Lujo Toncic-Sorinj, the Secretary-Gen of the Council of Europe.

Background to the Conference

The conference is the third in a series of meetings of representative bodies concerned with the conservation of the countryside in Britain In 1 the Duke of Edinburgh convened a study conference which was attended delegates from some 90 national organisations, and a second conference in 1 considered the reports of study groups and of a special conference on educati and set up a standing committee to follow up its recommendations Detai studies of the main issues indicated by the 1965 conference and specific proj promoted by the standing committee to implement agreed policies culmina in the third conference, which forms the climax of Britain's contribution European Conservation Year 1970 (ECY 1970). (The interest of the Coun of Europe in the problem of conservation, and the decision to declare E 1970, are the direct results of the first two conferences of The Countryside 1970). The Government recognises the standing committee of The Countrys in 1970 as the official body responsible for the organisation of events in Bri in connection with ECY 1970; there are special committees in Wales, Scotl and Northern Ireland.

Extracts from the Speeches

The Duke of Edinburgh

In his opening address to the conference, the Duke of Edinburgh s that, although this was the last of the series of conferences simply because its title, it did not mean that their purpose had been achieved or that effo

should be relaxed. He believed that the considerable increase in people's awareness of the problems of conservation was largely due to the way all the organisations represented at previous conferences had co-operated and used every means at their disposal to impress the importance of conservation on their members and many others; to the very hard work of countless volunteers; and to the efforts of the members of the standing committee and those responsible for publicising the conferences. 'All this activity and co-operation', said the Duke, 'has produced a mass of valuable evidence, opinions and ideas which have provided a springboard for a good deal of action.' Industrial and urban development, waste-disposal, recreation, wildlife, agriculture, and the use of agricultural chemicals had all come in for much closer and better-informed scrutiny. In many cases industry was taking a more active interest and, with the help of legislation, voluntary controls and statutory bodies, the most pressing problems were being tackled.

The Duke stressed the need, both in Britain and at an international level, for co-ordinated administrative structures able to take decisions and for organisations to put the decisions into practice, and he welcomed the recent government proposals for a reorganisation of central government [see 6.11 70 pp. 933-8] and the Council of Europe's decision to sponsor E C Y 1970. If the period of the last seven years had been one of discovery of the facts, he said, the time had come to think about conservation problems in a wider context: each problem was a subject in itself, but each had to be related to the other to form a coherent picture of the present situation and to assess what might happen in the future.

The Prime Minister

Addressing the conference on its final day, Mr Edward Heath, the Prime Minister, said that the Government's first priority on assuming office had been to ensure that the right organisation existed to protect the interests of the environment. The Government had now achieved this by bringing together the functions of land-use planning, prevention of pollution, construction and transport into a single Department of the Environment [see 6.11 70 p 935]. Responsibilities for water (including those for the safety of reservoirs) would also be concentrated largely in the new department. Mr Heath had asked that responsibility for research establishments and other organisations concerned with the environment (which is now split between a number of departments) would be reviewed to see how far it would be practicable to transfer them to the Department of the Environment.[1] Nevertheless, there were limits to concentration in a single department: a great many government functions had a secondary environmental aspect and it would be impracticable to concentrate under one roof the full range of executive functions which have some bearing on the environment.

The new Secretary of State for the Environment, continued Mr. Heath, would be seeking an agreement with local authorities to a series of regional strategies within which proper protection could be given to the countryside. A strategy for south-east England had been published [see 31.7 70 pp. 715-17] and strategies for other regions would follow. The Secretary of State would have powers to prepare policies for water resources, for the prevention and containment of pollution, and for all major services connected with housing, new town development and road planning.

Other government departments were also affected, Mr. Heath continued. The new Department of Trade and Industry [see 6.11.70 p. 934] would be responsible for industrial development and would be in close contact with the Department of the Environment, both on policies and on specific decisions. Some departments were themselves large users of land and would need to review

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[1] The Government has announced that responsibility for four industrial research laboratories is to be transferred to the Secretary of State for the Environment (see p. 1022).

their requirements for the land they used. The outstanding example was the use of land by the armed services: the Ministry of Defence held about 190 miles (306 km) of coastline—most of it for ranges—and restricted public access to about 150 miles (241 km) of it. At Mr. Heath's request, the Secretary of State for Defence would examine ways of reducing the Services' demands on land, particularly in such places as the national parks and coastal districts.

Ensuring that technological developments did not unwittingly damage the environment or threaten health implied additional expenditure of money and resources, but this cost should be accepted as part of the price of preserving the countryside and preventing pollution. At the same time, however the countryside could not be regarded as completely sacrosanct, to be preserved from further developments. 'The countryside is a constantly evolving thing adapting to changing needs and circumstances It must continue to do so '

The protection of the countryside and the prevention of pollution were among the highest priorities of the 1970s and were essential for decent standards of living. It was in this spirit that the Government would tackle the problems

Dr. Lujo Toncic-Sorinj

The Government's decision to form a Department of the Environment was praised by Dr. Lujo Toncic-Sorinj, Secretary-General of the Council of Europe in his address to the conference He told the delegates: 'This was one of the main things demanded by the Council of Europe Conservation Conference earlier this year [see 27.3.70. pp. 323-8] and Britain was one of the first countries to follow this up '. Dr. Toncic-Sorinj also acknowledged the important contribution made by Britain to the declaration of ECY 1970 He gave delegates an outline of the council's work in making recommendations to member governments on environmental matters, and said that he hoped the shaping of overall solutions would come out of the first European gathering of Ministers responsible for the environment which was being prepared for 1972 or 1973

National Reports

The conference received assessments of the progress achieved in their areas from the chairmen of The Countryside in 1970 Committee for Wales and of the ECY 1970 committees for Scotland and Northern Ireland

The Prince of Wales, the chairman of The Countryside in 1970 Committee for Wales, told delegates that the Welsh countryside had tremendous attractions for visitors, especially from urban areas. But he warned that, unless this aspect of tourism were properly planned, considerable overcrowding, pollution and erosion of natural features could occur in rural areas. The Prince paid tribute to the work and initiative of the Welsh Office derelict land unit, which in four years had established 64 reclamation schemes involving 1,500 acres (607 hectares) at a cost of some £3·4 million. The committee had concentrated its efforts on arousing the awareness of local communities to the problems of conservation, and county branches had been successfully established throughout Wales, providing on-the-spot advice for those who wished to participate in local projects. There had been close co-operation with other national organisations, both voluntary and statutory.

The chairman of the ECY 1970 Committee for Scotland, Sir John McWilliam, reported that the committee's main endeavour during the year had been to promote conservation education. Increasing numbers of people would visit Scotland's countryside and coastline, but the committee believed that the environment—both rural and urban—could absorb the increased use without damage if people had an understanding of the basic problems of conservation. Public national bodies, local authorities and voluntary bodies were all working together to develop information about the countryside, and one of the features of ECY 1970 had been the co-operation among all the

organisations concerned. The committee particularly welcomed a new concept in conservation—the designation of 98 per cent of Scotland's area as countryside, so enabling conservation problems to be approached comprehensively rather than in a piecemeal way.

In Northern Ireland, the Government had accepted overall responsibility for the conservation of the countryside, Mr Norman Crawford, the chairman of the ECY 1970 Committee for Northern Ireland, told the conference. Substantial progress had been made in the conservation of nature, care of the countryside and provision of facilities for the enjoyment of nature resources. The nature reserves committee had given the Northern Ireland Government a list of 147 sites of natural interest requiring protection and 44 other sites recommended for nature reserves. Of these the Government had immediately agreed to 12 nature reserves, covering 1,500 acres (607 hectares) and 27 areas of scientific interest, covering 140,000 acres (56,656 hectares). The Government had also undertaken to protect all 147 areas within the next five years and to see that all 44 nature reserves were set up within that time

Countryside Awards

At the end of the conference awards were presented for 100 projects which have produced physical improvements to the countryside of England or have contributed towards increasing awareness and understanding of it The award scheme had been introduced, with the approval of the Duke of Edinburgh, by the standing committee of The Countryside in 1970 The wide range of successful projects included the reclamation of derelict land, the setting up of nature reserves, nature trails, country parks and field study centres, road landscaping, footpath clearance, tree planting, and the restoration of canals.

REPORT ON DISUSED RAILWAYS IN THE COUNTRYSIDE

The setting up of a working party to consider ways of improving the machinery for the disposal of disused railway lines in the countryside, so that in the public interest the land involved is put to the best possible use, is the main recommendation of a report, *Disused Railways in the Countryside of England and Wales* (HMSO, 20s), published recently The report, prepared for the Countryside Commission by a consultant, has been published as part of the commission's contribution to European Conservation Year 1970 It examines some of the uses to which disused railways have been, or could be, put; assesses the costs involved, and discusses policies for the future

Uses of Disused Railway Lines

Railways which are no longer in use have been converted for many purposes, and these and other possibilities are discussed in the report. Disused railway land has, according to the report, 'linear' and 'non-linear' uses. Among the linear uses are the re-opening of lines as operating railways or their preservation as features of industrial archaeology; their conversion into roads or into recreation routes (including 'linear' parks consisting of a number of recreational facilities linked together in linear fashion) for walkers, riders and cyclists; and their potential use as courses, for example, for laying down pipelines. The wide range of non-linear uses for disused railway land includes the conversion of disused stations and other railway buildings into car or caravan parks and camping grounds; sites for gypsies' caravans; and sites for tipping household waste (for which railway cuttings are particularly suitable). Some railway land—often much richer in flora and fauna than surrounding areas and sometimes of particular geological interest—is regarded as highly suitable for

nature reserves, providing widely distributed 'outdoor laboratories' for educational purposes.

A number of benefits to agriculture have resulted from the reclamation of disused lines, although the work involved has often been very expensive because of the high costs, for instance, of filling cuttings, removing fences, clearing scrub, and perhaps re-routing drains. Restoration of railway land in farming districts has made more land available for crop-growing, and land previously divided up by railways has been united, thereby facilitating the free movement of modern farm machinery. Within farmsteads disused railways have been used as access roads, river crossings, routes for machinery and farm animals, and as sites for farm buildings, silage clamps and reservoirs Railways no longer in use also provide shelter for agricultural land and cover for game birds and other wildlife. The report notes, however, that disused railway land can also cause anxiety to adjacent landowners and farmers if not cared for properly after closure: for example, poor maintenance may result in the spread of weeds, the harbouring of pests and diseases, the impeding of drainage, and the escape of stock through inadequate fencing

Costs

The report discusses the costs of the conversions of railway land and notes that there are a number of statutory powers under which government grants are available to local authorities and others undertaking the reclamation of such land. These include grants for agricultural use under the Farm Land Improvement Scheme and the Hill Land Improvement Scheme, and grants for amenity and recreation (including, for example, for the provision of country parks picnic sites, car parks and the restoration of derelict land) under the Countryside Act 1968, the National Parks and Access to the Countryside Act 1949 and other statutes. In addition, some projects for the re-use of disused railway land may qualify for aid through other channels –for instance, the establishment of playing fields by county education authorities.

Policies for the Future

Although disused railways present a special kind of problem, solutions according to the report, must be consistent with general rural land-use policy (including, for example, the preservation of country and national parks) and may well be sought in association with wider reclamation schemes, such as those to restore derelict land in coalmining areas

After an examination of the machinery by which land passes from railway to other uses, the report concludes that there must be proper provision for effective management after a line has been closed, for acceptable safeguards of public and private interests, and for reasonable speed in bringing disused lines into alternative uses. In order to ensure that disused railway land is put to the best possible use while safeguarding the interests of recreational, amenity and other organisations, a working party should be set up to review the machinery for disposing of the land.

Social Security

FAMILY INCOME SUPPLEMENTS BILL

A Bill to provide a new social security benefit for families with small incomes, where the wage-earner is in full-time work and there are dependent children, was given a second reading in the House of Commons on 10th November (*Hansard*, cols. 217-340). Describing the provisions of the Bill, the Secretary of

State for Social Services, Sir Keith Joseph, said that the benefit—to be known as family income supplement—would be payable to about 134,000 couples with children, including 24,000 on wage-stop,[1] and about 54,000 single people with children, a total of nearly 190,000 households containing about 500,000 children. The Bill was the first step in the Government's policy for dealing with family poverty and was designed to help the poorest who were in work. The fact that relatively small numbers would benefit from the Bill was a reflection of a series of steps taken by previous governments which had together brought about an improvement in the standard of living of the people.

Provisions of the Bill

Family income supplement will be payable when the weekly sum of a family's resources falls below a prescribed amount. For a family with one child this amount is £15 a week and for larger families £15 plus £2 a week for each additional child. The weekly rate of the benefit will be half the difference between the family's income[2] and the prescribed amount, up to a maximum of £3 and with a minimum of 4s. Unlike family allowances the new supplement will be available for families with a single child. Claims will be determined by the Supplementary Benefits Commission.

One-Parent Families

The new scheme will provide help for divorced, separated and single women and widowers and other men who are bringing up children unaided and working full-time. Widows with dependent children already receive substantial national insurance benefits, whether they work or not, so few are likely to qualify for family income supplement. The prescribed amount to which the new supplement is related is the same for both one- and two-parent families. In assessing the claims of divorced, separated or single women with children, maintenance payments will be treated as part of income.

Cost and Timing

It is estimated that the total cost of the provisions of the Bill will be £8·6 million. This will include additional expenditure of about £1 million a year on supplementary benefits which will result from the easing of the wage-stop provisions by adding family income supplement to the wage for the purpose of calculating supplementary benefit entitlement. It is hoped that it will be possible to start paying benefits by August 1971.

Exemption from National Health Service Charges

Sir Keith Joseph announced in the course of the debate that the payment of a family income supplement would automatically entitle the adults in that family to free medical prescriptions (children under 15 are already exempt) and he hoped that it would be possible to exempt them from dental and optical charges as well.

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[1] "Wage-stop" limits the supplementary benefit (an allowance paid to bring a person's resources up to an appropriate level) so that the income of an unemployed claimant is no greater while he is receiving benefit than it would be if he were employed.

[2] Income will be calculated by taking the average of earnings during the five weeks preceding the week in which a claim is made or, in the case of a claimant paid monthly, the previous two months' earnings (*Hansard*, 13.11.70, cols. 282-5).

Government and Administration

Boundary Commission Reports The recommendations of the Boundary Commissions for the redistribution of parliamentary seats, published in June 1969 [see 18.7.69 pp 605-7], have been approved by both Houses of Parliament

Hansard, 28.10.70 cols 241-368
Hansard [HL] 29.10.70 cols 236 and 241

Members of Parliament: Financial Interests Statement by the Lord President of the Council on the recommendation on the Select Committee's *Report on Members' Interests (Declaration)* (HMSO, 25s) to the effect that though the principles were 'absolutely correct', the exact terms of the Resolutions proposed were too restrictive and would inhibit some of the workings of the House He agreed that where members had particular outside interests these should be known to their colleagues not only when they took part in debates but also when they were pursuing their normal parliamentary duties The Lord President later stated that he would be ready to initiate discussions with a view to clarifying matters arising out of the report and exploring the possibility of an acceptable modification of the proposed Resolutions.

Hansard, 28.10.70 cols 214-15 and 29.10.70 cols 428-31

——*Car Allowances*. Approval of motions to raise the car allowance for members of both Houses of Parliament from 6d a mile [see 16.1.70 p 51] to 1s a mile

Hansard, 3.11.70 cols 1038-44
Hansard [HL] 4.11.70 col 343

Central Government Reorganisation The White Paper *The Reorganisation of Central Government* [see 6.11.70 pp. 933-8] approved by the House of Commons

Hansard, 3.11.70 cols 871-986

Ministers of the Crown. Approval of Orders to put into effect changes proposed in the White Paper:

Transfer of Functions (Wales) Order 1970	cols 987-1010
Transfer of Functions (Overseas Aid) Order 1970	cols 1013-28
Resolution on Secretary of State for the Environment Order 1970.	cols 1029-31

Comptroller and Auditor-General, and Parliamentary Commissioner: Salaries. Approval of motions to raise the salaries of the Comptroller and Auditor-General and the Parliamentary Commissioner from £9,800 to £11,900 for periods before 1st January 1971 and to £14,000 for later periods.

Hansard, 3.11.70 cols 1032-8

Special Order Committee. The motion that the recommendations of the report on proceedings in relation to special orders be accepted, was approved by the House.

Hansard [HL] 5.11.70, cols. 455-62

The recommendations are designed to make the reports of the Special Orders Committee (the committee to which are referred all statutory instruments requiring affirmative resolution of the House) more interesting and helpful to the House.

Welsh Language Books. The Secretary of State for Wales announced that the Government would continue to support book publishing in the Welsh language under the present scheme at the level and for the period previously announced [see 5.12.69 p. 1087]. The grant would therefore be £12,500 for this year and for the following two financial years.

Hansard, 9.11.70 written answers col. 22

Political Honours. The Prime Minister announced the Queen's approval of his recommendation that future honours list should include awards for political and public services to members of political parties, including parties other than that in power. He had invited the Leader of the Opposition and the Leader of the Liberal Party to make recommendations for such honours. All recommendations for honours for political and public services would be considered by the Political Honours Scrutiny Committee. The Leader of the Opposition stated that the Prime Minister's decision reversed a decision which he had taken in 1966 [see 11.11.66 p. 1192] as Prime Minister and that he rejected the invitation to suggest names.

Hansard, 10.11.70 cols. 205-11

Council on Tribunals. Annual report 1969-70. Session 1970-71, HC 72.

HMSO, free

Local Government in Britain (Reprint with July 1970 addendum).

COI, RF P 5505/68

Reorganisation of Britain's Central Government.

COI, Factel No. 612

External Affairs and Defence

Hijacking. Mr Michael Noble, Minister for Trade, outlined the security precautions against hijacking at British airports and by British airlines and the efforts to reinforce these by collective international action. The Government was fully supporting the efforts of the International Civil Aviation organisation to secure international agreement on ways to deal with hijacking and acts of violence against civil aircraft. Britain had played an active role in the preparation of the draft convention on hijacking to be considered by a diplomatic conference at The Hague in December.

Hansard, 28.10.70 written answers cols. 115-6 and 29.10.70 cols. 233-4

Tonga. Exchange of Letters terminating the responsibility of the United Kingdom for the external relations of Tonga [see 3.7.70 p. 606].

Cmnd. 4490 HMSO, 1s

Fiji. Annual report, 1969.

HMSO, 9s

The Commonwealth in Brief.

COI, PB.4736/70

Economic and Scientific Affairs

Jordan: British Aid Britain's relief operation has been co-ordinated with the relief operations of other countries, under the auspices of the International Committee of the Red Cross Between 23rd and 30th September 24½ tons of medical supplies and 80 tons of food were airlifted to Amman Between 1st October and early November (when they were withdrawn), British medical units treated some 650 patients and carried out 240 surgical operations in Amman Total costs are estimated at about £300,000
Hansard, 4.11.7 written answers cols. 399-400

British Aid Asked whether the Government would formally commit themselves to the Pearson Commission objective that seven-tenths of total overseas aid should be provided from official sources, the Minister for Overseas Development replied "No, the Government have decided that official flows of development assistance should form a substantial part of total flows, but they do not accept a separate target for such flows"
Hansard 5.11 written answers col. 436

Aid to Refugees in Nigeria, Jordan and Syria Since July 1967 Britain has given some £3·8 million for refugees and the homeless in Nigeria The British contribution to the United Nations Relief and Works Agency (UNRWA) for 1970-71 was £1,875,000, of which approximately £1,017,000 probably represented expenditure on refugees in Jordan and approximately £207,000 expenditure on refugees in Syria Subject to parliamentary approval, an additional £80,000 is being subscribed to help make good the damage UNRWA suffered during the recent fighting in Jordan
Hansard 5.11.7 written answers cols. 435-6

Pacific Phosphate Industry Report and accounts of the British Phosophate Commissioners for the year ended 30th June 1969 covering their operations on Nauru and Ocean Islands.
Cmnd 4500 HMSO 1s 6d

Man-Made Fibres Producing Industry Training Board Annual report.
HMSO, 2s 6d

Commonwealth Trade 1969 Prepared by the Commonwealth Secretariat
Commonwealth Secretariat Marlborough House, London SW1, 12s

International Trade 1969. Prepared by the Secretariat of the Contracting Parties, General Agreement on Tariffs and Trade.
GATT, Geneva $5.00 or SF21.0

Public Power Supply, by P. A Lingard and R W Orson
Electricity Coun 30 Milbank, London SW1. 1

The Science Museum.
COI, SN.5882

Social and Cultural Affairs

Costs and Revenues of Independent Television Companies Report No. 156 of the National Board for Prices and Incomes. The board's main recommendations include
Cmnd. 4524 HMSO, 8s

(1) a reduction in the number of programme companies in order to reduce costs by using up excess capacity and introducing economies of scale, and (2) a change in the arrangements for awarding contracts to produce greater stability within the industry by ensuring that any contract will normally be renewed unless the programme company has been warned twice in advance that its performance is unsatisfactory.

Housing Corporation. Sixth annual report. The report records a record number of 6,345 houses completed by housing societies in the the year ended 31st March 1970. At the end of the period, a further 10,000 dwellings were under construction.	HMSO, 3s
Families Living at High Density. A study of estates in Leeds, Liverpool and London. Ministry of Housing and Local Government Design Bulletin No. 21.	HMSO, 12s
Historic Buildings Council for Wales. Seventeenth annual report, 1969. Session 1970-71, HC 134.	HMSO, 2s
Report of the Work of the Children's Department of the Home Office 1967-69. A review of developments in the field of child care, including the treatment of young delinquents, and covering the activities of voluntary as well as statutory bodies.	HMSO, 9s
Computers in the National Health Service. The Secretary of State for Social Services is to undertake a comprehensive review of the medical uses of computers in the National Health Service. The Advisory Committee on Medical Computing (see 20.6.69 p. 566) will be associated with the review.	Press release DHSS 2.10.70
Control of Commonwealth Immigration. An analysis and summary of the evidence taken by the Select Committee on Race Relations and Immigration 1969-70 (see 13.2.70 p. 171 and 17.1.69 p. 82) prepared by Mr. Arthur Bottomley and Sir George Sinclair.	Runnymede Trust, 2 Arundel Street, London WC2, free
The Economics of Television, by C. F. Pratten. Political and Economic Planning Broadsheet No. 520.	PEP, 12 Upper Belgrave Street, London SW1, 16s
Cultural Policy in Great Britain. No. 7 in the UNESCO series 'Studies and Documents on Cultural Policies'.	UNESCO, Place de Fontenoy, 75 Paris 7e

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Contents

This is the last issue of the *Survey of British and Commonwealth Affairs*. In January 1971, and every month thereafter, will appear the *Survey of Current Affairs*, which will serve the same purposes as the present Survey but will be in a new format.

Britain and Decolonisation

Britain's Permanent Representative at the United Nations, Sir Colin Crowe, spoke in the General Assembly on 12th October of the British contribution to the process of decolonisation and explained why Britain found unacceptable the document on decolonisation submitted to the Assembly in the Committee of Twenty-four's draft resolution 2621

Resolution 1514 and the Committee of Twenty-four

The document, entitled 'Programme of Action for the Full Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples' marked the tenth anniversary of the Declaration on the Granting of Independence to Colonial Countries and Peoples contained in Resolution 1514 adopted by the General Assembly on 14th December 1960. It was presented in connection with the twenty fifth anniversary of the United Nations [see 6.11.70 p. 943]

Resolution 1514 affirmed that 'all peoples have the right to self-determination', that 'inadequacy of political, economic, social or educational preparedness should never serve as a pretext for delaying indenendence' and that 'immediate steps' should be taken to transfer all powers to the peoples of dependent territories 'without any conditions or reservations' By a resolution adopted in 1961 the Assembly established the special committee on the situation with regard to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples originally of 17 members, the committee was expanded to 24 members by a further Assembly resolution in 1962, and is generally known as the Committee of Twenty-four

Britain abstained from voting on all three of these resolutions The principal grounds for abstention were that the UN was not empowered by its Charter to intervene in the internal administration of non-self-governing territories; that progressive preparation for independence was necessary, that by giving economic, social and educational information on its dependent territories and by preparing them for self-government, Britain was already carrying out in full its obligations under Article 73 of the Charter, and that, as the Fourth Committee already existed to deal with the question of dependent territories, no new committee was necessary. Britain agreed, however, to join the Committee of Twenty-four and to co-operate in its work, subject to the reservation that it could not accept intervention in the administration of territories for which it was responsible.

The Document

The document in the resolution adopted by the General Assembly on 12th October was entitled a 'Programme of Action for the Full Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples'. Clause 1 declared that the further continuation of colonialism in all its forms and manifestations was a crime which constituted a violation of the

Charter of the United Nations, the Declaration on the Granting of Independence to Colonial Countries and Peoples and the principles of international law. Clause 3 urged, *inter alia*, that member states should 'render all necessary moral and material assistance to the peoples of colonial territories in their struggle to obtain freedom and independence' and 'intensify their efforts to promote the implementation of the resolutions of the General Assembly and the Security Council relating to territories under colonial domination'.

In this connection clause 3 drew 'the attention of the Security Council to the need to continue to give special attention to the problems of southern Africa by adopting measures to ensure the full implementation of General Assembly Resolution 1514' and, in particular, to the need 'to widen the scope of the sanctions against the illegal regime of Southern Rhodesia by declaring mandatory all the measures laid down in Article 41 of the Charter of the United Nations'. It also urged careful consideration of the question of imposing sanctions on South Africa and Portugal and consideration of an embargo on arms of all kinds to the Government of South Africa and the illegal regime of Southern Rhodesia' and 'the adoption of measures to prevent the supply of arms of all kinds to Portugal, as such arms enabled that country to deny the right of self-determination and independence to the peoples of the territories under its domination.

Clause 4 declared that member states were to 'wage a vigorous and sustained campaign against activities and practices of foreign economic, financial and other interests operating in colonial territories for the benefit and on behalf of colonial Powers and their allies, as these constitute a major obstacle to the achievements of the goals embodied in Resolution 1514'. Clause 5 declared that member states should 'carry out a sustained and vigorous campaign against all military activities and arrangements by colonial Powers in territories under their administration, as such activities and arrangements constitute an obstacle to the full implementation of Resolution 1514'. Clause 6 stated that 'all freedom fighters under detention' should be treated in accordance with the relevant provisions of the 1949 Geneva Convention on the treatment of prisoners of war and 'representatives of liberation movements should be invited, wherever necessary, by the United Nations and other international organisations within the United Nations systems to participate in an appropriate capacity in the proceedings of those organs relating to their countries'. Finally, clause 7 declared that the Committee of Twenty-four should continue to examine the compliance of all states with the declaration. Where Resolution 1514 had not been fully implemented, the General Assembly should continue to bear responsibility for the territory in question until its people had an opportunity to exercise freely its right to self-determination.

The General Assembly adopted the draft resolution by 86 votes to 5 (Australia, Britain, New Zealand, South Africa and the United States) with 15 abstentions, including Malawi, Swaziland, Canada, the Scandinavian countries, Japan and the countries of the European Economic Community. The representative of Portugal was not present.

The British Attitude

Sir Colin Crowe said that Resolution 1514 had 'reflected the general concern of the world community that the momentum of decolonisation should be maintained and that all peoples of the world should be entitled freely to determine their own future'. No doubt because its basic purpose had been to confirm this widely-held conviction, no member state had found it necessary to oppose its adoption, despite the fact that it had contained features to which Britain and a number of other countries could not subscribe. The then Minister of State for Foreign Affairs, Mr. Ormsby-Gore (now Lord Harlech), speaking at the time of its adoption, had already acknowledged that the objectives of its

sponsors were to a large extent the same as those of Britain. 'We believe', Mr. Ormsby-Gore had said, 'that the peoples of dependent territories should advance to self-government and independence as fast as is possible. We believe that new nations should be strong and prosperous and at peace with themselves and their neighbours.' Sir Colin added, 'With those broad objectives we have never found it necessary to quarrel, in so far as they were related to the freely-expressed wishes of the colonial peoples.'

Sir Colin went on to say that Britain's commitments to these goals had already been demonstrated by its discharge of the obligations and its application of the principles it accepted under Chapters XI and XII of the Charter. Britain had given the world irrefutable proof of its intentions by the independence accorded to the 450 million people of India, Pakistan, Ceylon and Burma in the immediate post-war years, and by the succession of countries formerly under British responsibility which attained independence in the years preceding 1960. Indeed, no fewer than 13 of the countries which as member states of the United Nations sponsored Resolution 1514 had themselves at one time been under United Kingdom administration.

Britain had thus 'already embarked on a process of granting independence to its dependent territories long before Resolution 1514 was thought of. Indeed, this whole process was the logical outcome of our policies towards dependent territories going right back into the nineteenth century.' By 1960, as far as Britain was concerned, 'the objects of Resolution 1514 had already been, or were in the process of being, carried out.'

'Since then', Sir Colin continued, 'some 22 former United Kingdom territories, many of them in Africa, others in the Caribbean, in the Mediterranean, in the Far East, and most recently in the Pacific, have become independent. Tomorrow a new one, Fiji, will join the United Nations.' Save for 1969, not a year had passed without a former dependent territory being received into UN membership. 'There could be no better proof of the United Kingdom's unswerving adherence to its consistent policy of decolonisation and of its conformity with the goals described in Resolution 1514.'

Sir Colin said that at present there were less than 20 British non-self-governing territories, most of them small island groups. with two exceptions none had a population of over 170,000, while most had populations well below 100,000. Their resources were limited. Nonetheless, 'their people have increasingly come to assume the management of their own affairs through free and democratic institutions. In this they have received, and will continue to receive, every encouragement and assistance from my Government.' While they had, in every case, pride in their traditions and a desire to affirm their separate identity, it was hardly surprising if, in this troubled world, some of these communities with total populations equal to that of a large village should shrink from the full responsibilities of sovereign nationhood.

'The policy of the United Kingdom towards the future of these remaining territories is clear and has been stated many times', continued Sir Colin. 'It is not the intention of the United Kingdom Government to delay independence for those who want it, nor is it their intention to impose it on those who do not want it. Our guiding principle must be the wishes of the peoples concerned. The choice is theirs. Indeed, in one or two cases the goal of independence has already been declared, even though actual timing remains for decision by the peoples of those territories and their elected leaders. Elsewhere there are peoples who freely prefer to retain their links and their familiar relationship with the United Kingdom. If at any time in future they decide to change their views, they are fully entitled to do so. But so long as their desire is to retain their present ties with the United Kingdom it is certainly not the intention of my Government to betray its trust or to reject people who see nothing unusual or abhorrent in the continuation of a modern relationship which falls short of total independence.'

This was the background against which the British Government had considered the document before the Assembly. The proposal for a programme of action was preceded in paragraph 1 of the resolution by a declaration that 'the further continuation of colonialism in all its forms and manifestations is a crime in violation of the Charter and of the principles of international law.' 'Such an accusation', Sir Colin declared, 'is unacceptable in every sense. On this paragraph alone we should be justified in rejecting the resolution.'

It was not his purpose, he went on, 'to discuss whether a programme of this character, based on earlier resolutions which failed to command anything like universal support and which by their extremism have become increasingly removed from any likelihood of implementation, is appropriate for a commemorative occasion marking the twenty-fifth anniversary of the United Nations and the tenth anniversary of Resolution 1514', nor was it his intention to 'submit the text of the programme to a detailed examination. It contained certain prescriptions, however, notably in clause 3, 'which bear little relation to reality and are irrelevant to the process of advance to independence. Moreover, certain paragraphs in the same clause 'raise serious constitutional issues in relation to the Charter and in particular to those of its provisions which stipulate the relationship between the General Assembly and Security Council, which recognise the inherent right of self-defence, and which regulate membership of this Assembly and other major organs.' In addition, specific lines of action were proposed in the programme, which in the British Government's view were wholly unacceptable for reasons which had been frequently stated in the past and which remained fully valid.

This brief survey, said Sir Colin, by no means exhausted British objections to the draft resolution, but it was more than adequate to demonstrate why Britain found 'this extreme document wholly unacceptable' and why he had to request that it be put to the vote so that Britain's disagreement with it could be recorded.

Sir Colin said that it was not agreeable at a commemorative occasion of this nature and when the Assembly stood on the threshold of the twenty-fifth anniversary to have to register this disagreement. 'It has long been the firm conviction, however, of successive United Kingdom Governments that resolutions of this Assembly must command the widest possible basis of support if they are to be accorded the moral authority due to them and to have a reasonable prospect of implementation. It is only on the basis of compromise, of understanding, and not of confrontations that the United Nations will be able to achieve its goals.'

[For further background see COI reference pamphlet *Britain and the Process of Decolonisation*, R.F.P.5865/70, of January 1970.]

Rhodesia

It was announced in the course of a debate in the House of Commons on 9th November that the British Government has taken the first step in a new attempt to find whether a settlement of the Rhodesia problem is possible.

Rhodesia was also a subject of debate in the Security Council during November. An Afro-Asian draft resolution of 10th November proved unacceptable to Britain and was vetoed, but a subsequent amended version, put to the vote on 17th November, was adopted unanimously.

An account is also given below of developments in Rhodesia during the past few months; these have included elections held by the illegal regime and the inauguration of a 'President'. The Land Tenure Act 1969 has been followed by draft legislation extending racial discrimination in the ownership of residential property. There are indications that sanctions are now putting a considerable

strain on the Rhodesian economy, though the third report of the Security Council's Sanctions Committee in July emphasised that their effectiveness continued to be reduced by the lack of co-operation of some states.

BRITISH POLICY

In the Queen's speech at the opening of Parliament on 2nd July it was announced that the new Government would 'make a further effort to find a sensible and just solution of the Rhodesian problem in accordance with the five principles'.[1] This followed a pre-election pledge by the Conservative Party to try once more to reach a settlement on Rhodesia. On 8th October, at the Conservative Party conference at Blackpool, a motion calling for the immediate withdrawal of sanctions was defeated by an overwhelming majority. In the course of his speech to the conference, Sir Alec Douglas-Home, Foreign and Commonwealth Secretary, reaffirmed the Government's commitment not to lift sanctions pending negotiations with the illegal Rhodesian regime, and announced a forthcoming approach to Mr. Smith to find out whether a basis for negotiation could be found within the five principles. On the same day Sir Alec informed the conference of two further Government decisions on Rhodesia: the abolition from 8th October of the Post Office surcharge imposed since April on mail from Rhodesia bearing stamps of the 'republican' regime; and the presentation of a measure (see pp. 1102-3) the effect of which would be to allow people divorced in Rhodesia to remarry in Britain, thus removing 'an inhuman disability'.

Southern Rhodesia Act: Continuation Order

On 9th and 11th November respectively the House of Commons and the House of Lords approved the Southern Rhodesia Act 1965 (Continuation) Order 1970, which succeeded a similar Order of October 1969. The effect of the Order is to continue in force Section 2 of the 1965 Act [see 7.12.65 p. 1211] which enables the Queen in Council to take any measures necessary to deal with the situation in Rhodesia brought about by the illegal declaration of independence.

Sir Alec Douglas-Home opened the debate in the House of Commons (*Hansard*, 9.11.70, cols. 33-103) by pointing out that the purported assumption of republican status by Rhodesia, and Mr. Smith's new constitution [see 10.4.70 p. 347], presented a much greater obstacle to agreement than had existed previously: '. . . but, however long the odds against a settlement, I do not believe that any new Government can simply let the matter lie where it is without a new attempt to see if a settlement is possible. The consequences of final rupture—because that is what it would be—are so serious for Rhodesia, for the Europeans and the Africans in that country, and for the future of Southern Africa as a whole, that one more try should be made even though the evidence is that the chances of success are remote.'

He went on to announce that in the previous week he had sent on behalf of the Government a communication of a preliminary nature to Mr. Smith, through the channel of the British Ambassador in Pretoria and Mr. Smith's representative there. This was simply a first exploratory step in a process of

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[1] The five principles [see 25.10.68 p. 982] were enunciated by Sir Alec Douglas-Home in 1964 when he was Prime Minister, as conditions on which the British Government must be satisfied before it could grant independence to Rhodesia. They were subsequently accepted by the Labour Government and remained the basis for negotiations with the Rhodesian regime throughout its period of office. The sixth principle, added by Mr. Wilson, stated that there should be no oppression of majority by minority or of minority by majority. It is omitted by the present Government because it would be covered by constitutional arrangements made in accordance with the five principles (*Hansard*, 14.7.70, col. 1362).

trying to establish whether there was a realistic basis for a negotiated settlement at all within the ambit of the five principles. This exploratory stage might take some time, because it was necessary that the British Government and Mr Smith should agree on the basis and purpose of the talks before a detailed negotiation could begin Sir Alec stressed the advantages that would accrue from a successful negotiation, both to Rhodesia and to Africa generally 'It would be the biggest step that could be taken towards promoting the dialogue between black and white Africa and the process of constructive change which is the only way in which *apartheid* and racial discrimination will in the end be broken down.'

Continuation of Sanctions

While the Order was approved by a large majority representing all parties in the House of Commons,[1] a number of differences of view emerged, particularly on the question of the continuation of sanctions Sir Alec had stated in his opening speech that in the Government's view sanctions should continue during the attempted negotiation As the debate proceeded he was pressed by several Members to clarify the Government's position on sanctions in the event of failure of the attempt at settlement Mr. Denis Healey, Opposition spokesman on Foreign and Commonwealth Affairs, said the Government must make it clear that sanctions would continue after the negotiations, if the negotiations did not succeed.

In reply, Sir Alec said: 'I have firmly taken the view that if one is going into negotiations one must not anticipate failure one must go into it believing that it can succeed. If the negotiation fails, then of course we must reconsider the situation and explain the position to the House and say what action the Government propose to take'

Winding up the debate, Mr Joseph Godber, Minister of State for Foreign and Commonwealth Affairs, returned briefly to this point The Government's position, he said, was straightforward 'We are maintaining sanctions for one year in the Order before the House If the negotiations should be concluded before the year is up and we should wish to amend the Order to take account of that fact, we shall have to submit an amendment to the House This is a genuine attempt we are going to make to reach a solution We are retaining sanctions while that is on, and surely that is an honourable position and one which deserves the support of the House'

Matrimonial Jurisdiction Order

The Southern Rhodesia (Matrimonial Jurisdiction) Order 1970 was approved by the House of Commons on 9th November and by the House of Lords on 10th November. Introducing the Order in the debate in the House of Commons (*Hansard*, cols. 113–28), Sir Peter Rawlinson, the Attorney-General, described its purpose as being 'to mitigate personal hardship arising from the invalidity of appointments to the High Court of Rhodesia'. The recent decision of the High Court in England, that judges of the High Court of Rhodesia appointed under the 1965 Constitution were not *de jure* judges, had the effect of rendering invalid the dissolution of marriages by such judges, said Sir Peter. As a result some people divorced in Rhodesia and wishing to remarry in Britain were unable to do so. The Order sought to enable people from Rhodesia to obtain a valid decree, while maintaining Britain's obligation to the United Nations not to recognise institutions of the illegal regime. It achieved this by extending United Kingdom jurisdiction to permit British courts 'to entertain

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[1] The voting was 276 in favour of the motion and 21 against. All those voting against were Conservative Members.

proceedings for divorce or nullity of marriage of a person domiciled or resident in Southern Rhodesia as if that person had been domiciled or resident in . . . England, Wales, Scotland or Northern Ireland'. The only condition to be fulfilled by the individual concerned was six months' residence in Britain before bringing proceedings.

SECURITY COUNCIL ACTION

On 10th November a draft resolution was proposed to the Security Council by Burundi, Nepal, Sierra Leone, Syria and Zambia. The resolution reaffirmed 'the primary responsibility of the Government of the United Kingdom to enable the people of Southern Rhodesia to achieve self-determination and independence, and in particular their responsibility of bringing the illegal declaration of independence to an end'. Its first operative paragraph called upon the United Kingdom, under Chapter VII of the United Nations Charter, 'not to grant independence to Southern Rhodesia without the fulfilment of majority rule', the other provisions being a restatement of the Security Council's determination that all states should comply with previous resolutions on Rhodesia.

Speaking for Britain, Sir Colin Crowe regretted the failure of the sponsors to consult with or inform the United Kingdom delegation about the intended draft resolution. He characterised the resolution as 'a classic case of something which is both too little and too much. In so far as this new resolution repeats previous obligations it is unnecessary; in so far as it imposes new obligations, it is unacceptable'. It was too little in that it repeated previous Security Council commitments on Southern Rhodesia 'in either less emphatic or less precise terms'. It was too much in its attempt to bind the United Kingdom to majority rule as a precondition of independence, a commitment which the British Government had never accepted in a United Nations resolution. When a similar suggestion was rejected by the council on 16th December 1966, Britain's representative, Lord Caradon, had said that 'it impinges on matters which are within the sovereignty of the British Parliament' [see 20.1.67 p. 58]. Since, as the sponsors reaffirmed in their resolution, the primary responsibility rested with Britain, the British Government was 'not prepared to enter into negotiations with our negotiating position dictated to us publicly from outside'.

The draft resolution received 12 votes in favour, two abstentions (France and the United States) and one vote (Britain) against, and failed as a result of a negative vote by a permanent member of the Security Council. The last time that Britain vetoed a Security Council resolution was also over Rhodesia, on 11th March [see 10.4.70 pp. 349-51].

On 17th November a compromise resolution, presented by the same sponsors, was put to the vote in the Security Council. It differed fundamentally from the rejected resolution in that it referred only indirectly to Chapter VII of the Charter, and made no mention of majority rule before independence. It was adopted unanimously.

DEVELOPMENTS IN RHODESIA

The purported assumption of republican status by Rhodesia on 1st March was followed by a general election on 10th April, held under the so-called republican constitution [see 20.6.69. pp. 542-5 and 7.11.69 pp. 991-2]. As a result of the election all 50 seats representing Europeans in the House of Assembly were held by the Rhodesian Front, which won nearly 77 per cent of the vote in the 37 contested seats and was returned unopposed in the remaining 13. Seven of the eight elective African seats were won by the Centre Party and one by the National People's Union. The remaining eight seats

were filled by candidates elected by the tribal electoral college. On 28th April these eight Members of Parliament announced the formation of a new all-African party to be known as the Rhodesia Electoral Union. The ten European representatives in the newly-constituted Senate were elected by the European Members of the House of Assembly. (The Senate also contains ten African chiefs elected by the council of chiefs, and three persons of any race appointed by the Head of State.)

On 16th April Mr. Clifford Dupont was sworn in as first 'President' of the so-called republic. The duties of his new post are similar to those which he had performed as 'Officer Administering the Government' since the illegal declaration of independence.

Withdrawal of Consular Representation

The withdrawal in March of the consular representatives of 18 countries from Rhodesia [see 10.4.70 p 348] was followed by that of the Portuguese Consul-General on 9th May, in response to a request from the British Government. No consular representatives with British authorisation now remain in Rhodesia. The South African representative, who has not been withdrawn is accredited to the Foreign Minister of Rhodesia and not to the Head of State

Property Owners (Residential Protection) Bill

The position of the races in Rhodesia was retrogressively altered not only by the new 'constitution' but also by the Land Tenure Act 1969 [see 7.11.69 p. 992], which also came into force on 1st March and divided the country into almost equal 'European' and 'African' areas and an area of national land

Provision was made in the Act for further discriminatory legislation, and on 26th November a draft Property Owners (Residential Protection) Bill was published, changing the position of Asians and people of mixed-race descent (who are considered as Europeans for the purposes of the Land Tenure Act) The Bill lays down that, within the 'European' part of the country, the 'President' may declare any area occupied predominantly by one race to be an 'exclusive area', where people of other races may not live or own residential property. Application for such a declaration has to be made by 15 property-owners of the predominant race, on the grounds either that racial harmony is being endangered or that property values are depreciating through the infiltration of another race. Although the Bill contains qualifications and safeguards, it carries the work of the Land Tenure Act a step further in classifying all Rhodesians according to racial group, and, like the latter Act, it contravenes the fourth of the five principles, which requires that progress be made towards ending racial discrimination.

Effect of Sanctions

Evidence of the strain imposed on the Rhodesian economy by sanctions was given on 1st October, when the regime's Minister of Finance announced restrictions on the availability of foreign exchange. This was referred to by Mr. Godber in his speech in the House of Commons on 9th November (*Hansard*, col. 96), when he said that although sanctions had not achieved their immediate political objective, 'no one can deny that they continue to exert pressure on the Rhodesian economy and to restrict the rate of development.' **The available figures suggested that real income per head, despite a good year in 1969, was no higher than five years ago. 'Recently,' he said, 'leaders of the regime have, in effect, admitted increasing difficulties over such matters as foreign exchange. It has been announced that the criteria for the issue of import allocations are to be further tightened.'**

At the same time, the failure of many states to impose sanctions wholeheartedly was noted by the UN Security Council's Committee on Sanctions when it presented its third report in July. It stated that sanctions had had some effect on Rhodesia's agricultural exports, but that they had failed to curb its mineral exports which were likely to increase again this year The number of cases of suspected sanctions breaking notified to the committee had increased considerably since its last report, and Rhodesia's total exports had risen in 1969 to £140 million, about 70 per cent of the 1965 level. South Africa and Portugal, by continuing their trade with Rhodesia, were considerably reducing the effectiveness of sanctions.

The Colombo Plan

TECHNICAL CO-OPERATION REPORT 1969-70

The eighteenth report of the Colombo Plan Council for Technical Co-operation in South and South-East Asia, for the year ended 30th June 1970, was published in Ceylon in November Besides outlining the council's activities during the year and providing detailed statistics, the report contains a special chapter on education, which reviews the contributions made by member countries towards educational development in the region This is the special topic selected for consideration at the Colombo Plan's annual Consultative Committee meeting[1]

The Colombo Plan for Co-operative Economic Development in South and South-East Asia now has 24 members, the majority being developing countries in Asia There are six non-regional member countries Australia Britain, Canada, Japan, New Zealand and the United States Although the Asian countries themselves contribute on an increasing scale towards this co-operative development effort, the bulk of both funds and expertise is made available by the six non-regional member countries

Technical assistance only is dealt with in the recently published report which is not concerned with the large amount of capital aid that has been given to countries in the region since the plan started in 1950

Figures and Trends for 1969

Although the report deals generally with the year from mid-1969 to mid-1970, most of the statistical material refers to the calendar year 1969 when total technical assistance provided to the region by member countries amounted to $178 million. This was $22 million below the previous year, a reduction accounted for mainly by a drop in the United States contribution which, however, at $143 million, remained by far the largest The other major donor countries all recorded increases over 1968

The principal fields of technical co-operation are the provision of places for trainees and students in the donor country, the provision of services of expert personnel; and the supply of specialised equipment. During 1969 6,681 new training and study awards were made, bringing the total number since 1950 to 65,544. About 43 per cent of new awards was provided by the United States, while other major donors were Japan (989), Britain (928) and Australia (744). The largest number of awards went to Thailand (1,264), followed by India (660), Indonesia (607) and Vietnam (564); but even the smallest countries received several—for example, Bhutan had 13 and the Maldives 12 The main fields of training for which awards were given were education, public administration and agriculture.

[1] The Consultative Committee meeting was due to be held in Manila from 24th November to 6th December 1970, but has been postponed until 16th February 1971 because of severe typhoon damage in the Manila area.

Experts taking up assignments in the region in 1969 numbered 964 (1,232 in 1968) and accounted for 53 per cent of total disbursements. Since the inception of the plan, 12,989 experts have visited the region on assignments of varying duration. Their services have covered practically every economic activity from village council development to computer science. The United States and Japan were the principal supplying countries in 1969, followed by Australia and Britain. The largest numbers of experts went to Thailand (218), India (124) and Indonesia (66). The greatest demand was for experts in works and communications (256), health (193) and agriculture (168).

The provision of equipment to expand regional facilities for education, research and training accounted in 1969 for $54.1 million of expenditure. All member countries in the region benefited, the largest amounts going to Thailand ($26.1 million), Laos ($10.3 million), Korea ($7.8 million) and India ($4.2 million).

An important element in technical co-operation is the intra-regional training programme organised by the regional member countries. In 1969, 551 training and student places were provided, with India continuing to play a leading role by making 326 places available. Other participants were Korea, which provided 119 places, Singapore (31 places), Thailand (30) and Pakistan (22). A further 913 trainees in the region were financed by the United States under a Third Country programme.

Total expenditure on technical co-operation, from the inception of the plan up to the end of 1969, amounted to $1,369 million, spent in the proportion of 18 per cent on trainees and students, 49 per cent on experts and 33 per cent on equipment.

THE BRITISH CONTRIBUTION

Britain's expenditure on Colombo Plan technical assistance in 1969 was about £3.6 million ($8.7 million), which included the financing of 1,849 Asian students and trainees. The 928 new places provided during the year brought the total since the plan began to 9,700. (The ten-thousandth trainee to come to Britain under these arrangements arrived in March 1970.) The 104 British experts and advisers assigned to South and South-East Asia in 1969 brought the total since 1950 to 1,237, while the £475,000 of equipment provided by Britain made the total spent since 1950 some £5.5 million.

During 1969 Britain gave priority to training in industry and commerce. The main fields in which British experts served were education (40), health (23), works and communications (16) and development planning (8).

Education

Britain continued to provide educational assistance to Commonwealth members of the Colombo Plan under the various Commonwealth Education Co-operation schemes. The largest of these—the Commonwealth Scholarship and Fellowship Plan—made provision during the academic year 1968-69 for the record number of 573 awards to students from the region, including 60 medical fellowships for postgraduate study in medicine, surgery and dentistry. Under the Commonwealth Teacher Training Bursary Scheme, in the academic year 1969-70 bursaries were awarded to 101 teachers from the region. Other assistance for teacher training included vacation courses in Ceylon, India, Malaysia and Pakistan, and—outside the Commonwealth—in Thailand. Specialist teachers were provided for key posts in India, Pakistan and Ceylon, and through the links established between British university departments and

BRITISH TECHNICAL AID TO COLOMBO PLAN REGION IN 1970

Receiving country	New trainees	New student places	New expert assignments	Equipment $ thousand	Total disbursements $ thousand
Afghanistan	6	11		4	197
Burma ..	21	58	6	26	555
Cambodia	1	1		-	9
Ceylon	81	75	15	13	790
India .	95	95	21	363	1,321
Indonesia .	4	14	1	5	198
Korea .	7	9		-	95
Laos	1	1	7	104	429
Malaysia .	51	44	8	32	915
Maldives	—	1			10
Nepal	17	22	3	21	456
Pakistan .	32	96	2	99	1 198
Philippines	12	25	1	45	295
Singapore	16	41	7	22	153
Thailand .	28	49	23	201	1,165
Vietnam	2	12	10	184	550
Entire area	—	-		72	406
Total ..	374	554	104	1,146	8,742

the Indian Centres of Advanced Studies, 24 interchange visits were arranged in 1969. In the sphere of South-East Asian studies, a new link has been established between the University of Malaysia and the University of Hull under which similar exchange visits will be arranged in the future

Other technical aid for education has been channelled through the Centre for Curriculum Renewal and Educational Development Overseas (CREDO) which acts as an adviser to developing countries anxious to modernise their teaching systems. In 1969 CREDO presented equipment and other material to the Regional Centre for Science and Mathematics in Penang, and arranged an advisory visit to the National Centre for Educational Research and Training in India.

In 1969-70 the British Council disbursed some £1.25 million in the Colombo Plan area, where it maintains professional staff in several countries to carry out educational and English language teaching work and administers the Aid to Commonwealth English Scheme in the region.

One of Britain's major educational co-operation schemes in the Colombo Plan region is assistance towards the development of the Indian Institute of Technology in Delhi. A three-year programme of collaboration between the institute and the Imperial College of Science and Technology of the University of London was begun in 1967, and during 1969 eight British teaching staff were assigned to the institute, while provision was made for Indian staff and students to visit Britain and for the supply of equipment from Britain. Britain is also financing a link between the Huddersfield College of Education (Technical) and the Technical Teacher Training Institute in Madras, where four British professors are undertaking long-term assignments; equipment,

including apparatus for closed circuit television, is also being supplied. In implementation of a scheme of association between the Royal Post-Graduate Medical College of the University of London and the Institute of Post-Graduate Medical Education and Research in Chandigarh, two-way visits were made between the two institutions in 1969, and arrangements are being made to supply Chandigarh with £100,000 worth of equipment for teaching and research.

A British adviser has been appointed to assist with the setting up of a new technical teacher training wing in Ceylon, and a British design expert is helping to draw up a master plan for the new university in Colombo. In 1968, Pakistan participated for the first time in Britain's teacher vacation course programme, with a course on curriculum construction for economics at the intermediate level. Institutions in Pakistan which have received technical aid from Britain include the Government Technical Institute at Lahore, the laboratory of the Council for Scientific and Industrial Research at Karachi, the Central Standards and Testing Laboratory at Karachi and the Telecommunications Centre at Dacca. Britain has assisted several training colleges and other educational institutions in Malaysia, and in 1969 experts on technical education were assigned to advise the Institute of Technology in Selangor State on curricula, equipment, layout of laboratories and staffing requirements.

A substantial part of British technical assistance to Thailand has traditionally been devoted to education, especially at university level. Following the withdrawal in 1969, after five years, of a major team of British engineering experts from Chulalongkorn University, Britain has concentrated its aid on the teaching of engineering at the regional postgraduate Asian Institute of Technology in Bangkok, which has students from 15 Colombo Plan countries. British staff was increased from 5 to 12 in 1969, and 12 new scholarships at the institute are being financed annually. Since 1964, lecturers in seven branches of science have been provided at the new university of Chiang Mai in Thailand.

British experts in Laos included those serving in educational broadcasting and English language teaching. About a dozen volunteers are teaching English in various institutions. In Vietnam, Britain is building and will furnish and equip, two primary schools in Saigon, which are expected to provide places for about 1,600 children.

Economic Development

British technical aid towards agricultural development in the region has included, in the year reviewed, an agricultural and resettlement survey in Nepal and a major survey of the Yom River basin in Upper Thailand, the services of an expert in trace analysis of pesticides, seconded from the Rothamsted Experimental Station for work with the Government of Pakistan, and of an expert in slaughterhouse design and construction to give long-term advice to the Government of India; and a training course in plant protection in connection with a Plant Protection Centre to be constructed near Vientiane in Laos. Britain is providing buildings, equipment, personnel and training awards to assist Thailand in establishing a Cotton Development Centre.

In the sphere of communications, Britain has provided assistance to Pakistan in the form of railway electrification and telecommunications equipment, and a British firm of consultants will shortly be undertaking a survey of all transport systems in East Pakistan. India has been provided with advisers on bridge research and load despatching techniques, and Nepal has had the services of a financial officer and a business manager for a telecommunications project. Continuing technical aid is being given to Laos for the Luang Prabang and Pakse installations of the Radio Laos network, which were largely provided by Britain and were handed over to the Laos Government in 1968.

A number of industrial projects in India, including the Durgapur steelworks and the Bhopal heavy electrical plant, have continued to receive technical, as well as financial, aid from Britain, which has also supplied experts for Indian textile research associations. A British mission visited India to take part in a joint Indo-British investigation into the needs of the Indian process plant industry. Equipment has been supplied for the Indian Plywood Industries Research Association at Bangalore and the Cement Research Institute in New Delhi, and loans have been made available to the National Small Industries Corporation so that British equipment may be purchased.

A team of textile machinery technicians was sent to assist Indonesian textile mills, and training in textile manufacture and identification of dyes and fibres was provided for an examiner from the Central Testing Laboratories in Dacca, East Pakistan. Machinery was supplied for Pakistan's jute and sugar milling industries, and the services of a jute mill superintendent were made available. British consultants are carrying out a survey to make recommendations on possible new Thai export industries.

Health

Among Britain's main technical aid projects in the field of medical services is the paediatric team working at the Nhi Dong children's hospital in Saigon, which provides medical and nursing care and undertakes training of staff. It is supported by the provision of British medical supplies and equipment, including an X-ray unit and a pathology laboratory. Equipment has been donated to the College of Medicine of the University of the Philippines, to be used in the establishment of a physical therapy clinical centre at the Philippines general hospital, and Britain has assisted in the development of a comprehensive medical service in the Philippines by the provision of teaching equipment, textbooks and physical therapy apparatus.

A British neurological team was attached during the year to the Rangoon general hospital to train Burmese staff, and an adviser on cancer research has continued to make annual visits to the Cancer Research Institute in Bombay. An expert from the Liverpool School of Hygiene and Tropical Medicine is carrying out a general survey of filariasis in Sabah, Malaysia, to ascertain the incidence of the disease. Equipment was donated to the Faculty of Medicine of the University of Ceylon and to the King Edward Medical College at Lahore in Pakistan.

Post Office

FIRST REPORT FROM CORPORATION

The first report and accounts of the Post Office Corporation, for the six months from October 1969 to March 1970, were published on 27th November (HMSO, 30s.) A report for the six months from April to September 1969 when the Post Office operated as a government department before becoming a public corporation—was published on 23rd July (HMSO, 9s.) The later report gives figures for the whole financial year in addition to those for the half-year.

The main problems confronting the new corporation were the effects of rapidly rising wage costs on the labour-intensive postal services, and demand for investment capital from the telecommunications services. In addition, it had been necessary to create a more businesslike attitude and introduce more

commercial management techniques than had been appropriate under the former administration.

Financial Results

At £36·2 million the Post Office's profit for the year 1969-70 represented a fall of 18.5 per cent on the previous year's result. Income earned amounted to £1,046.4 million, compared with £946.1 million in 1968-69. Only £6.1 million of the profit was attributable to the half-year ending in March. The Post Office operates three main businesses—telecommunications, postal, Giro and remittance services, and the National Data Processing Service—and these are now to a considerable extent managed separately.

Telecommunications achieved a profit of £61.3 million, a rise of 22.4 per cent on 1968-69 mainly due to increased business; income amounted to £652.2 million. Expenditure on fixed assets rose from £325.8 million to £362 million, while the net value of assets during the year averaged £2,209.7 million. There was an 8.4 per cent return on capital (8 per cent in 1968-69). The annual financial target agreed with the Government has now been raised from 8.5 per cent to 10 per cent in future to help meet the investment programme.

Postal, Giro and remittance services, on an income of £205.4 million, made a loss of £24.8 million, compared with a loss of £5.8 million in the previous year. To meet its financial target of a surplus of 2 per cent on expenditure, the postal service needs to make an average annual profit of at least £8 million over the five years from 1968-69 to 1972-73. Although mechanisation is expected eventually to save £15 million or more annually, postal services must remain highly intensive in use of labour and therefore particularly vulnerable at times of heavy pressure on wage costs. (Higher charges for letters and other services are to be introduced in February 1971, coinciding with decimalisation.) Income rose by over £19 million to £397.3 million, mainly due to increased charges imposed in September 1968. Income from Giro, set up in 1968, increased from £1.5 million for five and a half months in 1968-69 to £5.2 million in 1969-70. The inland letter service lost £10.8 million, the inland parcel service £6.8 million, Giro £6 million, and money and postal orders £3.1 million. Capital expenditure fell by £7 million to £33 million, but spending on plant as a result of mechanisation of sorting offices rose from £2.9 million to £4.6 million.

The National Data Processing Service, set up in 1968, increased its income from £4 million to £5.3 million in 1969-70, but made a small loss of £300,000 compared with a small profit in the previous year.

Telecommunications

The corporation took over the telecommunications services at a time of extremely rapid technical change, of unprecedented demand for telephone services (40 per cent higher than in the previous year) and of shortage of plant and equipment caused partly by under-investment by the Post Office in the past and partly by the failure of manufacturers to meet orders on time. Equipment manufacturers have more than doubled output since 1965-66, and in 1968-69 doubled the number of completed installations to 600, but even so have not kept pace with demand.

A total of £2,700 million is to be invested in the telecommunications services over the next five years, equivalent to some £1·5 million a day. An increasing number of electronic switching systems are being introduced into the network; at present the Post Office is ordering nearly all new small- and medium-sized exchanges in the TXE 2 electronic system, with a capacity of up

to 2,000 lines. It is also planning to buy the TXE 4 electronic exchange which can handle up to 40,000 lines, and to introduce electronic stored programme controlled register translators into existing exchanges in London and other large cities. Work is proceeding on the development of more advanced systems.

The telephone service has grown more rapidly than ever before. By the end of March the number of connections in use had reached 8·6 million, 8·7 per cent higher than twelve months before. The number of telephone instruments in use (including extensions) rose by 8·1 per cent to 14 million. During the year local calls rose by 11·4 per cent to 8,270 million, trunk calls by 11·3 per cent to 1,333 million, continental calls by 21·1 per cent to 29 million, and intercontinental calls by 33·1 per cent to 3·5 million. The proportion of trunk calls obtained by subscriber dialling increased from 70 to 75 per cent, and of continental calls from 57 to 63 per cent. Over 7¼ million customers, some 86 per cent of the total, were able to dial trunk calls by the end of March 1970, when only 105 exchanges remained to be converted to automatic working. The first intercontinental telephone subscriber dialling service, from Britain to New York, was opened on 1st March 1970. Work began on a new international exchange, Mondial House, to come into service in 1974 and to handle 20,000 international circuits.

Telex connections rose to over 29,000, while inland traffic increased by 5·1 per cent and international traffic by 19·2 per cent. About 94 per cent of international calls are now dialled direct by customers. A new international Telex exchange was opened in London to handle 12 million dialled continental calls a year.

By the end of March there were 9,500 data transmission terminals, more than in any other country except the United States. At that date the corporation was commissioning for 60 of its customers individually-tailored, nation-wide data transmission networks.

By the end of the year 14 countries were linked with Britain by satellite via the Post Office's earth station at Goonhilly, Cornwall. During the year services were opened to connect Britain with Kuwait, Japan, Indonesia, Bahrain, Australia, Malaysia and Thailand.

Postal Services

In 1969-70, 11,400 million letters were handled, about 100 million more than in the previous year. Parcels handled decreased slightly to 208 million. Strenuous efforts are being made to improve productivity. More efficient collection methods in urban areas have already realised savings of £400,000 a year and improved organisation of postmen's rounds is also expected to reduce costs significantly, as are project-team studies in large sorting offices and merging of head post offices. It is planned to concentrate letter sorting on about 120 highly-mechanised sorting centres and parcel sorting on about 30; the first of a series of new mechanised parcel sorting centres was opened at Reading in 1969. At Croydon, which has the most intensively mechanised sorting office in Britain, the latest equipment for code marking and automatic sorting of letters is operating successfully; similar equipment has now been installed at three other centres. By the end of the year over half the 18 million addresses in Britain had been allocated post codes.

A Datapost service was introduced in March 1970, to provide a reliable overnight, door-to-door service for movement of computer data and other urgent items.

The Postal Consultancy Service, set up in 1965 to give advice to overseas administrations on planning of mechanised offices, is now working on projects in eight countries.

Data Processing

The Post Office installed its first computers in 1958; it now has 26, and orders have been placed for an additional 11. The corporation recently decided that there should be a single corporate computing service, consisting of Post Office Data Processing to serve Post Office businesses, and the National Data Processing Service (NDPS) to continue with a full range of services to customers outside. (The NDPS formerly provided computer services to both groups of customers.) The corporation employs some 2,100 computer staff, and runs training courses, mainly for its own staff but also for government departments, local authorities, and commercial firms.

Economic Development Committees

The Government has accepted proposals, made at a meeting of the National Economic Development Council on 2nd December, for terminating the activities of five Economic Development Committees and improving the effectiveness of the remaining 16.

The five committees whose abolition followed what the council's Director-General, Mr. Fred Catherwood, called 'a most thoroughgoing review'—are those for Food Manufacturing, Paper and Board, Hosiery and Knitwear, Rubber, and the Post Office. The council has asked some of the remaining committees to examine more closely the manpower problems in their industries.

Structure of Industry

SMALL FIRMS

The economic importance of small firms, and a recommendation that their performance should be subject to periodic analysis by the Government, are, respectively, the underlying theme and principal conclusion of two recent booklets issued by non-governmental organisations: *Britain's Small Firms: Their Vital Role in the Economy*, published by the Confederation of British Industry (CBI), and *Small Firms Survey 1970*, published by the Industrial and Commercial Finance Corporation (ICFC).

The subject of both publications was emphasised in a speech on 19th November by the Parliamentary Under-Secretary of State at the Department of Trade and Industry, Mr. Anthony Grant. In certain manufacturing fields, Mr. Grant said, only small firms had sufficient management flexibility to exploit the market potential fully; this applied in industries as diverse as clothing and light engineering. 'In many cases,' he continued, 'behind the large, leading exporters and manufacturers are small firms supplying components and services, without which the larger firms could not function efficiently.' Mr. Grant observed that, although comparatively little is known about the process of innovation, it was clear that the smaller firms had an important role in this respect. He cited transistors, tape recording and xerography as major examples of modern technology which have emanated from small firms.

Position of Small Firms in the Economy

The CBI publication, a revised version of a survey published in 1968, states that the vast majority of corporate concerns in Britain are small firms. There is, the CBI notes, no general agreement on the definition of small firms since, in some circumstances, both turnover and employment figures used

without qualification can be arbitrary. However, one characteristic common to almost all is that major policy decisions are the responsibility of one or two individuals who usually own the business and are executive directors. Statistics are not available giving details of employment or turnover inside the terms of this definition. Data published in the Census of Production does, however, reveal the economic importance of small establishments (i.e. manufacturing units), as opposed to firms. The 1958 census—the most recent for which complete figures are available—showed that of all establishments with over 10 workers, 75 per cent had a labour force of less than 100 each, and 85 per cent had less than 200 each. They provided, respectively, 19 per cent and 30 per cent of total employment in manufacturing industry, and 15 per cent and 25 per cent of total sales. Broadening the definition to establishments with under 500 employees, the figures show that over 97 per cent of the total, accounting for 45 per cent of manufacturing industry sales, are in this category. The CBI points out that comparisons with other industrialised countries reveal that this situation is not a structural peculiarity of industry in Britain.

Profitability of Small Firms

The ICFC report is a revised and up-dated version of a booklet published by the corporation in 1967. It formed part of its evidence to the committee of inquiry (the Bolton Committee) established in July 1969 to consider the role of small firms in the national economy.

The report examines 304 companies financed by the ICFC at 31st March 1968, presenting an overall picture for these firms of relatively rapid growth. The average net return on assets achieved by them between 1964-65 and 1967-68 was 13.5 per cent, compared with 12.3 per cent for larger companies quoted on the Stock Exchange. This contrasts, however, with an average return of 14·8 per cent (against 12.7 per cent for quoted companies) by the 300 small businesses surveyed in the original report, which covered 1961-62 to 1964-65. The poorer performance, the ICFC states, reflects the economic conditions of the period and also emphasises that fluctuations are greater for small businesses and the risks of failure and rewards of success are both more marked.

Turning to profitability by industry, ICFC-financed companies in the engineering, paper and printing, and transport and telecommunications sectors did better than quoted companies; in most other areas this position was reversed.

The ICFC stresses that its sample may not be representative of small concerns as a whole. It states, however, that the Inland Revenue now receives sufficient information from the accounts of even the smallest companies to enable it to prepare periodic reports on such aspects as profitability, growth in net assets, borrowing ratios and periods of credit taken. 'We are convinced', the ICFC says, 'that such an analysis would give valuable information, particularly as it would deal with a representative sample and not with only more efficient organisations.'

Tyre Manufacture

FINAL PLANS FOR INTERNATIONAL COMPANY

Final proposals for the creation of a major new international grouping through the merger of Britain's leading tyre producing company, Dunlop, and its Italian equivalent, Pirelli, were announced simultaneously in London and Milan on 4th December. Initial details of the link were outlined on 2nd March [see 27.3.70 p. 314] and have subsequently been approved by authorities in the two countries.

If the shareholders of both companies endorse the merger, it should become effective from 1st January 1971, forming the second or third largest tyre producing group in the world, with a labour force of over 180,000. In organisational terms, the merger is based on the acquisition by Dunlop of a 49 per cent interest in Pirelli's operations throughout Italy and the European Economic Community, and 40 per cent of its interests in other parts of the world. In exchange, Dunlop will transfer equivalent operational interests to Pirelli.

When complete the merger will embrace assets valued at some £343 million, of which Dunlop will have contributed £173 million and Pirelli £170 million. Figures from the latest annual reports of the two companies show that if the group had been operational in 1969 its sales would have totalled £872 million, and its pre-tax profits £40.3 million. The proposals, which shareholders will be asked to endorse at a series of meetings before the end of the year, provide for the separate entity and domicile of both companies, and will not entail changes in the ownership or structure of the two companies' present share capital.

Announcing the proposals, the chairman of Dunlop, Sir Reay Geddes, said that the new structure was "the logical response of two major groups to the changes taking place in their industries and in their world markets". The reasons for the link, he said, were that existing facilities could be used more effectively with consequent benefits and economies in the supply and production spheres. There should also be significant benefits in the field of research and development, where each group now spends about £8 million annually. The geographical advantages, Sir Reay continued, were obvious. Dunlop would acquire a greater share of the market in Italy, southern Europe, and Latin America, and Pirelli in Britain, North America, Africa, Australasia and Asia.

Aerospace

MINISTER'S STATEMENT ON AIRBUS PROJECTS

In a statement to the House of Commons on 2nd December (*Hansard*, cols 1280-[illegible]) the Minister of Aviation Supply, Mr Corfield, announced the Government's decision neither to support the British Aircraft Corporation's (BAC's) proposed *Three-Eleven* airbus and its Rolls-Royce *RB211-61* engines, nor to accept the invitation to rejoin the European *A300B* airbus project. The Government reached these decisions in view of the size of the public investment which the projects would entail, estimated at £144 million at present prices for the BAC *Three-Eleven* and engines, and at £30 million for a share in the airframe part of the *A300B* project or some £100 million if the *RB211-61* were involved in the *A300B* project.

In the light of these decisions British European Airways (BEA) is to have the opportunity to choose between the Lockheed *1011 TriStar* and the *A300B* for future airbus orders. The Minister pointed out that both include a large contribution by British industry. The *TriStar* has Rolls-Royce *RB211-22* engines, for which the Government recently announced an increase in launching aid up to a limit of £89 million [see 4.12.70 pp. 1078-80]. Hawker Siddeley is designing and manufacturing the main part of the wings for the *A300B*. The Minister emphasised that this decision does not imply any weakening of British interest in other joint projects, such as the multi-role combat aircraft (MRCA), *Jaguar* and *Concorde*. He went on to mention the recent proposals made by other European governments that they should meet with the British Government to discuss the setting up of a joint study of the possibilities of increased co-operation between European aero-engine industries.

The BAC *Three-Eleven* was designed as a short and middle distanc[illegible] inter-city, wide-fuselage airbus, seating 200 to 300 passengers and powered b[illegible] two rear-mounted Rolls-Royce *RB211-61* turbofan engines. The design w[illegible] announced in July 1968 [see 2.8.68 p. 728].

The *A300B* is a wide-body, twin-engine jet aircraft designed initially to carr[illegible] up to 300 passengers on routes of up to 1,500 nautical miles It is powered b[illegible] General Electric *CF6* engines and is scheduled for airline delivery in 197[illegible] Under an agreement signed in 1967 [see 18.8.67 p. 844] the aircraft was to ha[illegible] been built on a tripartite basis by Britain, France and the Federal Republic [illegible] Germany However, the British Government withdrew in April 1969 [see 25.1[illegible] pp. 397-8 and 3.1.69 pp. 45-6] and the aircraft is now being built by SNIA[illegible] (France), Deutsche Airbus (Federal Republic of Germany), Fokker (Nether[illegible] lands), and Hawker Siddeley (Britain) in a private capacity The Governmen[illegible] of France, the Federal Republic of Germany and the Netherlands had recentl[illegible] requested Britain to rejoin the project

Coal Industry Bill

SECOND READING

On 3rd December the Minister for Industry, Sir John Eden, moved the [illegible] reading in the House of Commons of the Coal Industry Bill (*H* [illegible] cols. 1483-1606). The Bill extends the power of the Secretary of State [illegible] and Industry to make grants to the National Coal Board (NCB) in connec[illegible] with colliery closures and redeployment of manpower It also enables [illegible] Secretary of State to make further schemes for payments to workers becom[illegible] redundant and to reimburse the NCB for its contributions toward[illegible] retirement benefits paid to such workers The Bill increases the NCB's st[illegible] level of accumulated deficit from £50 million to £75 million and provides pow[illegible] for this to be increased to £100 million The NCB is empowered unde[illegible] provisions of the Bill to borrow in foreign currency and to provide tec[illegible] assistance overseas either as aid or on repayment terms The Secretary o[illegible] is empowered to call for reports on the NCB's diversified activities [illegible] powers to give specific directions to the board are extended After a long [illegible] an Opposition amendment rejecting the Bill as a whole, while welcomi[illegible] continuation of assistance arrangements, was defeated The Bill was re[illegible] second time and committed to a Standing Committee

A Coal Industry Bill introduced by the previous Government [illegible] a second reading on 9th April 1970 but had not received Royal Ass[illegible] 29th May when Parliament was dissolved

The Main Proposals

The Minister spoke first of clauses 6, 7 and 8, those dealing with the [illegible] colliery activities of the NCB He explained that the board has mo[illegible] way since it was created in 1946. It is now engaged in a wide range of [illegible] activities. Some of them like brickworks, coal-sale depots, coke ovens, [illegible] and housing—were carried on by the privately-owned collieries before nation[illegible] isation and were included among the assets vested in the board by the 1946 Act. But since then diversification has increased, so that the activities now include processed fuels manufacture, builders' merchants, district heating, retail coal distribution, chemicals, North Sea gas, and hotel reservations. Some of these are in the form of wholly-owned ancillaries carried on by the board, others are wholly- or partly-owned trade undertakings, which include partnerships

and equity participation in private sector companies. Between them they made a net contribution last year of some £15 million to the board's profit before interest This more than offset the operating loss on colliery account. Sir John said that it is important that the state of affairs of the NCB's subsidiaries be known, and clause 8 which empowers the Secretary of State to direct that the NCB accounts shall be accompanied by accounts relating to these subsidiaries would help effect this

The Minister continued Clause 6 provides for a review of all or any of these activities to show the extent to which they draw upon the resources of the board, the benefits they bring, and the way they fit into the board's plans for the future He explained that it is only after a review of this nature and a full consultation with the chairman of the board that the Secretary of State will be in a position to use the powers provided for in clause 7 Clause 7 empowers the Secretary of State to discontinue, restrict, reorganise or dispose of any non-colliery activity of the NCB or its subsidiaries The Minister then spoke of clauses 3, 4 and 5 which cover, respectively, the extension of the limit on the accumulated deficit, the power to borrow overseas and the provision of technical assistance overseas He pointed out that clauses 4 and 5 embody powers similar to those already given to some other nationalised industries (gas and electricity under the Gas and Electricity Act 1968)

The Minister turned to clauses 1 and 2 saying that the primary purpose of the Bill and the chief reason why it was before the House was to enable the Government, by Order, to extend for three years beyond March 1971 certain schemes designed to mitigate the social consequences of contraction in the industry

Clause 1 extends to the end of March 1974 the Government's power to contribute, on a tapering basis, towards the NCB's expenditure arising from the redeployment of manpower and the closure of uneconomic pits. This expenditure involves payments on account of redundancy loss of prospects and premature retirements and removal and resettlement expenses The overall limit has been raised to £24 million £2 million higher than that provided for in the previous Government's Bill to take account of increased costs

Clause 2 will extend the power to make schemes for payments to miners becoming redundant during the three years up to the end of March 1974 The related provision under the Coal Industry Act 1967 for the payment of premature pensions will continue to apply

The Supply Situation

Commenting on the fuel supply situation, the Minister said that within a three-year period Britain has swung from having a major coal surplus and an easy fuel oil position to one of shortage of coal and a tight fuel oil position. He stressed the overriding need for flexibility in fuel sources and use of energy but emphasised that, in the longer term, coal will continue to be a major supplier of energy needs. The low stocks of coal and the short supply of other solid fuels have led the Government to take measures to alleviate and augment the winter supply. The Central Electricity Generating Board has applied for consent to convert four coal-fired power stations -West Thurrock, Kirkstall, Padiham and Portsmouth – to other fuels and the Government has decided to permit the conversion of all except Padiham West Thurrock is to be converted to natural gas with possible reversion to coal-firing. Kirkstall and Portsmouth are to be converted to oil, primarily in the interests of the clean-air policy, though the saving on coal will be beneficial.

Also, with effect from 5th December, the Government is to allow imports of coal, coke and manufactured fuels. Consumers and merchants will then be free, under open general licence, to secure any supplies that may be available overseas.

Nuclear Research

BRITAIN TO PARTICIPATE IN CERN ACCELERATOR

The British Government has decided to participate with other European countries which are members of the European Organisation for Nuclear Research (CERN)[1] in building a 300 GeV[2] accelerator (proton synctrotron) near the existing CERN site at Geneva at a cost of some £110 million. The object is to provide European physicists with equivalent facilities to those in the United States and the Soviet Union. The world's present most powerful accelerator (at 76 GeV) is in the latter country; a 200 GeV machine should be completed in the United States by 1972.

Making the announcement on 4th December (*Hansard*, written answers col. 475), the Secretary of State for the Department of Education and Science Mrs. Margaret Thatcher, said that CERN's new design, substantially cheaper than the proposal rejected by the previous Government in 1968, would require no increase in the budget of the Science Research Council (SRC).

British Contribution

To meet Britain's contribution of about one-fifth of the cost, the SRC plans to make economies in the domestic budget for high energy physics. Over the eight years of construction the SRC outlay will rise to a peak of £[illegible] a year, although a run-down anticipated at CERN's existing facilities will reduce this figure by £800,000.

The council of CERN is meeting on 21st December to make a decision on the new proposal. The director of the project, Dr J B Adams (Britain), said at a meeting of the European-Atlantic group in London in December that the [illegible] cost of the new proposal was half what it would now cost to build the machine proposed in 1964. The difference represented economies proposed for the present CERN budget. Although the accelerator would take eight years to reach its full power of 300 GeV, it would be ready for experiments at 200 GeV, seven times the energy of CERN's present machine, in its sixth year. Thereafter, however, if super-conducting electro-technology makes the progress promised the machine might be raised in stages to 400-500 GeV and eventually to 1,000 GeV.

[1] The permanent organisation of CERN was set up in 1954 to provide for European collaboration in fundamental nuclear physics. Members include Austria, Belgium, Denmark, France, the Federal Republic of Germany, Greece, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom.

[2] GeV = 1,000 million electron volts.

Race Relations and Immigration

RACE RELATIONS ACT EXTENDED APPLICATION

From 26th November, the second anniversary of the Race Relations Act 1968, a large number of small firms, boarding houses and lodging houses came within the scope of the Act for the first time. Under the Race Relations Act it is unlawful to discriminate on grounds of colour, race or ethnic or national origins in the provision to the public of goods, facilities or services, in employment and in housing.

Employment

When the Act came into force employers of not more than 25 workers were excepted from its provisions. The limit is now reduced to 10 and in another two years' time there will be no exceptions. The reduction from 25 to 10 means that an additional 6 per cent of the work force will be covered by the Act.

Boarding and Lodging Houses

'Small premises' are excepted from the application of the Act if the landlord (or person responsible for providing or disposing of the accommodation) lives on the premises and shares accommodation such as kitchen, bathroom or lavatory with people other than his own household. Up to now, boarding or lodging houses have been regarded as 'small premises' if there is not normally accommodation for more than 12 people other than the landlord's household. From 26th November the number is reduced to six.

COMPLAINTS OF DISCRIMINATION

Between 1st April and 30th September 1970 the Race Relations Board and its regional conciliation committees dealt with 551 complaints of discrimination. Of the total, 276 were concerned with employment, 73 with housing and 202 with the provision of goods, facilities and services. In 109 cases complaints were either withdrawn or fell outside the scope of the Act. Of the 442 cases on which opinions were formed, unlawful discrimination was considered to have occurred in 79, or 17·9 per cent, of cases. [See 14.8.70 p. 745 for a summary of the annual report of the Race Relations Board.]

COMMUNITY RELATIONS COMMISSION: NEW CHAIRMAN

Mr. Mark Bonham Carter, the present chairman of the Race Relations Board, is to succeed Mr. Frank Cousins as chairman of the Community Relations Commission at the end of the year. The Race Relations Board and the Community Relations Commission are the two statutory bodies set up to foster

racial harmony in Britain. The function of the board is to secure compliance with the law against discrimination by assessing cases of alleged discrimination and seeking remedies by conciliation and, if necessary as a last resort, by initiating proceedings in the civil courts. The Community Relations Commission is an educational and promotional body offering aid and advice to all who can contribute to the harmonious integration of coloured citizens within the community. It operates in particular by supporting the efforts of the network of local community relations councils.

Mr. Cousins, who is retiring from the commission at his own request, has been chairman since it was set up in 1968 Under his chairmanship the commission has started a review of ways of further developing its role and activities and strengthening its organisation and training procedures, especially the arrangements for helping local organisations. In a letter thanking Mr Cousins for his services, the Home Secretary referred to the wide range of often unspectacular but highly practical and constructive pioneering work already carried out by the commission

The present deputy-chairmen of the commission, Lord Campbell of Eskan and Dr. David Pitt, have accepted the Home Secretary's invitation to continue in these appointments

PARLIAMENTARY DEBATE ON IMMIGRATION

In a debate on immigration in the House of Commons on 25th November (*Hansard*, cols. 462-572), the Home Secretary said that he would shortly be presenting proposals to cover the whole question of entry into and residence in Britain. The Government would regard as fundamental the right of a Commonwealth immigrant already in Britain to bring his wife and young children to join him, he said When considering the question of admission of people from other countries, whether temporarily or permanently, the Government's first concern must be for the people of Britain But the country had moral obligations going far beyond Britain It would be no good to anyone, including the immigrant population already here, if racial tension were allowed to grow Britain had a fine record both in the matter of admission of people from other countries and in community relations, one of the conditions for keeping it so was to give people confidence that the system of control worked Britain also had a long tradition of liberality in the admission of aliens generally, not merely Commonwealth citizens. This had been to the benefit of the country and to the people who had come to Britain. Mr. Maudling said he wanted to see this tradition and the tradition of political asylum -maintained, but Britain must be protected from the tensions which were such a sadly frequent feature of modern life in many countries.

Decrease in Numbers Admitted for Settlement

Mr. Maudling went on to discuss the practical aspects of immigration control and the volume of traffic involved. Between October 1969 and October 1970 there were 29·5 million arrivals and departures, an increase of 16 per cent on the previous year. Occasionally the immigration service made mistakes, but the appeals machinery [see 19.6.70 p. 587] was picking these up Figures for Commonwealth citizens admitted for settlement--excluding United Kingdom passport holders from East Africa—fell to 36,000 in 1969 from 53,000 the year before—a drop of 31 per cent. Dependants accounted for about 80 per cent of those admitted. Figures for the first nine months of 1970—22,000 compared with 29,000 in the corresponding period last year—showed a further reduction over 1969.

Illegal Entry

Mr. Maudling said that some wild figures of illegal immigration had been circulated recently but he did not believe that the numbers were anything like those that were often supposed. The forthcoming Bill would deal with the question of penalties for illegal immigration, particularly in respect of those making a profit out of illegal immigrants. There was a good deal of evasion of conditions of entry. The Government was right, for the general maintenance of the credibility of immigration control, to ensure that people evading their conditions of entry were dealt with suitably and required to leave the country.

Need for Fair Controls

Mr. Arthur Bottomley, Labour Member of Parliament for Middlesbrough East, who was formerly chairman of the Select Committee on Race Relations and Immigration, said that the select committee studied all aspects of immigration control and had been able to examine views at home and overseas. He was therefore of the opinion that immigration controls should be fair and efficient to ensure that those who had a right to entry faced as little difficulty as possible on entering, and that there was no evasion. Fair and efficient controls ensured the confidence of both immigrants and the indigenous population, thus making for good race relations. In any future policy there was need to preserve three features of the present policy. The first concerned the right of entry of a certain number of Commonwealth citizens for settlement; secondly, once admitted they should have the same rights and responsibilities as other Commonwealth citizens; and thirdly, those admitted should have the right to send for their families. Any proposal that immigrants should be restricted to certain jobs [see 17.7.70 p. 675] and certain places for a period was neither fair nor efficient. Britain had a long tradition of absorbing strangers. If fair, efficient and flexible controls were maintained and if people worked hard to improve community relations, there was, in his opinion, nothing to fear.

British Standard Time to End

In a free vote in the House of Commons on 2nd December (*Hansard*, cols 1331-1442) a majority voted against the permanent retention of British Standard Time. Under the British Standard Time Act 1968, British Standard Time was introduced for an experimental period of three years ending on 31st October 1971. Under this system the time was one hour in advance of Greenwich Mean Time throughout the year instead of in summer only when British Summer Time was previously in force. The change to British Standard Time meant that it was no longer necessary for clocks to be altered twice a year, but in winter it remained dark for an hour later in the mornings and light for an hour later in the afternoons. The Act provided for a reversion to Greenwich Mean Time on 31st October 1971 unless British Standard Time was made permanent by an Order passed by affirmative resolution of both Houses of Parliament before the end of 1970.

House of Commons Debate

Opening the debate the Home Secretary, Mr. Reginald Maudling, referred to the report *Review of British Standard Time* (Cmnd. 4512, HMSO, 11s.) published in October, which, he said, tried to set out as objectively as possible the relevant arguments. The report described the results of a Government social survey involving some 7,000 people over the whole country which indicated that, in mid-winter, 50 per cent of the population were in favour of

British Standard Time, 41 per cent preferred Greenwich Mean Time and 9 per cent were undecided. In spring those in favour rose to 51 per cent, with 39 per cent against and 10 per cent undecided. There were advantages, said Mr. Maudling, in school children going home during a longer period of daylight. Although road casualty figures were open to argument it was fair to say that there had been fewer casualties over the experimental period. Commercial interests felt that it was an advantage to have a time system which coincided with that in Western Europe. Travel and tourist organisations were in favour of British Standard Time The electricity industry said that there would be savings in generating capacity and, although industry as a whole was divided, a majority were in favour of retaining the new system. The lighter afternoons in winter had allowed more people to participate in outdoor sports.

Summarising the arguments against British Standard Time, Mr Maudling said it was clear that those who were against it felt more strongly than those who were in favour. He referred to the greater opposition in Scotland [winter sunrise being particularly late in the north-west] and the strong views held by the farming community. A substantial majority of people in the construction industry, and others in outdoor work (such as postmen and road maintenance workers), were opposed to the continuation of British Standard Time

As a result of the vote (366 to 81) against the retention of British Standard Time clocks will be moved back to Greenwich Mean Time on 31st October 1971.

Coastal Planning

COUNTRYSIDE COMMISSION REPORT

The establishment of new holiday villages on the coast and the designation of regional coastal parks are among the recommendations contained in a report *The Planning of the Coastline* (HMSO, 17s 6d), prepared by the Countryside Commission and published in October Other proposals include new policies for unspoilt stretches of coastline, including 'heritage coast' areas, and a programme for the removal of dereliction and other eyesores

Background

The report marks the culmination of a comprehensive study of the coastlines of England and Wales which the Countryside Commission believes to be the most thorough coastal study that has been made by any country in the world Based on a series of regional conferences with the maritime local planning authorities, the study was started in 1966 by the National Parks Commission (now the Countryside Commission) to provide a foundation for long-term policies to protect the coast while allowing its natural attractions to be utilised and enjoyed to the full. Reports from the conferences have been published and further contributions to the study have been published in a statistical summary on the use of the coastline and in special reports on recreation and nature conservation at the coast.[2]

[1] National Parks Commission Regional Coastal Reports The Coasts of Kent and Sussex (HMSO, 25s); The Coasts of Hampshire and the Isle of Wight (HMSO, 22s 6d), The Coasts of South West England (HMSO, 30s); The Coasts of South Wales and the Severn Estuary (HMSO, 30s), The Coasts of North Wales (HMSO, 22s. 6d.), The Coasts of North-West England (HMSO, 25s), The Coasts of North-East England (HMSO, 32s 6d.), The Coasts of Yorkshire and Lincolnshire (HMSO, 30s), The Coasts of East Anglia (HMSO, 25s.).

[2] Countryside Commission. The Coasts of England and Wales. Measurements of Use, Protection and Development (HMSO, 5s 6d), Coastal Preservation and Development, Special Study Reports Vol. 1, Coastal Recreation and Holidays (HMSO, 21s), Vol. 2, Nature Conservation at the Coast (HMSO, 32s. 6d.) [see 13.3 70 pp. 277-8]

Although in 1966-67 a quarter of the coastline of England and Wales was developed or committed for development, almost two-thirds of the coast was covered by specific local planning authority policies restricting new development. Of the total, some 15 per cent was under the protective ownership of local authorities, the National Trust, the Forestry Commission, national and local nature reserves, and other bodies; over 40 per cent was covered by nationally defined areas national parks and areas of outstanding natural beauty which imply some degree of protection, and nearly 5 per cent was held by government departments for defence and other purposes.

Seaside Resorts

Current trends in holidaymaking and recreation are, according to the report, reducing the importance of seaside resorts as leisure centres, although they remain a strong attraction for day visitors. The spread of car ownership, for example, has given people a much wider choice of seaside destinations, including rural coastal areas (outside the resorts) which were previously inaccessible, a growing preference for holiday accommodation in which visitors can cater for themselves (for example, caravans, tents and rented flats) has led to a decline in the demand for serviced accommodation in the resorts, and the increasing popularity of active holiday pursuits, especially water sports, is encouraging a dispersal of leisure activities and expenditure along the coast away from the resorts.

The commission believes that coastal resorts should be encouraged to maintain and expand their prime functions as holiday and recreation centres, rather than being grouped, for instance, with inland towns as possible expansion areas to receive people and industry from congested urban areas. Action should be taken to enlarge the resorts' share of the holiday trade and the commission calls for a special study into the contribution of coastal resorts to the national economy. Rather than regarding themselves as self-contained holiday centres, seaside resorts should seek to evolve individual characteristics while integrating their attractions with those of surrounding areas which could be planned and promoted as holiday zones. Adequate car parking facilities, particularly for day visitors, should be provided in the resorts, with financial help from the Government where necessary, and more should be done to cater for the growing participation in all forms of outdoor recreation.

Seaside resorts are popular as places of retirement for people from inland areas, particularly from large cities, and in many resorts people over the age of retirement comprise a high proportion of the population (sometimes twice as high as the national average). The commission considers that a study of retirement to the coast is needed in order to evaluate the social, economic and physical problems involved.

New Holiday Centres

There are signs, according to the report, that, as the demand for self-catering seaside holidays grows, existing caravan sites at the coast will not attract as many holidaymakers as they do now, whereas there will be much greater use of holiday chalets. The Countryside Commission recommends that local planning authorities should take this into account when considering planning applications for new caravan sites. To ensure that chalets are not thinly dispersed along narrow stretches of coastline (especially where redevelopment of existing caravan sites or badly planned areas is proposed), it suggests that local planning authorities should aim to concentrate new development in compact new holiday villages with provision for a variety of accommodation ranging from tents and caravans to chalets, cottages, flatlets and motels; much of the accommodation would be for renting but some would be owned privately.

The commission believes that only rarely, if at all, is it desirable to conside siting a new resort or holiday village on completely undeveloped coast, sinc there are many opportunities to create attractive new resorts by redevelopin coastal sites which are at present occupied by caravans or which were spoi by substandard holiday development between the two world wars (when th supply of sites was not subject to planning permission).

To facilitate the building of the holiday villages, a national resort develop ment agency is proposed to co-ordinate the resources of public and priv enterprise.

Regional Parks at the Coast

In order to promote the most effective use of certain coastal areas with great potential for outdoor recreation, especially for water sports, the com mission proposes that it should be given the power, subject to ministeria confirmation, to designate areas endowed with the greatest advantages fo recreation as regional parks, including parks in coastal areas The designatio procedure should ensure the closest consultation with all interested organisa tions, and the powers and constitutions of the authorities set up to adminis the parks could be modelled on those available under statute to the nati parks. The authorities would be responsible for developing the recreatio potential of the chosen areas, as well as for the conservation of their scenic and scientific values.

Coastal Industries

Recognising that coastal sites are essential for certain heavy industries such as aluminium smelters, oil refineries, power stations and some chemic processing plants which require adjacent deep-water port facilities and l quantities of water for cooling and other purposes the commission agrees principle with the proposals of the National Ports Council for the identificatio of 'maritime industrial development areas' sites where long-term new po development and associated industrial development could most advantageou take place [see 24 4.70 p 438 and 17 7 70 p 661] These would enable seve essential coast-based industries to take advantage of scarce sites, and indus development could be concentrated within defined limits rather than be dispersed in strips along the coastal belt The implementation of the program however, would not necessarily meet all the industrial demands on the co and from time to time major proposals for development would have to considered When this happens, the report recommends, the normal procedure should be the establishment of a planning inquiry commission (for which the Government has powers under the Town and Country Planning Act 1968)

The exploitation of reserves of oil and natural gas off the coast parti under the North Sea [see 3 7 70 pp 629-31] is of such far-reaching impo according to the report, that it merits the appointment of a special commiss of inquiry as an essential preliminary to the formulation of a national polic on the many physical planning issues involved

Coastal Derelict Land

The regional coastal conferences, notes the commission, brought to light several examples of derelict land, including colliery waste tipping on the coasts of northern England, slate and limestone quarries on the North Wales coastline, and sand and gravel works in many other areas. The report sets out details of the amounts of waste land at the coast (two-thirds of the derelict eyesores are of military origin) and reviews the many statutory powers now available for the improvement of derelict areas. It recommends that each local planning authority

should have a clearance programme, based on a published survey, for the removal of derelict and disfigured land by a given date

Coast Land held by Government Departments

More than 50,000 acres of land within a mile of the seashore is held by the Ministry of Defence and this, together with small amounts of land held by other government departments (excluding the Nature Conservancy and the Forestry Commission) extends for 134 miles — almost 5 per cent — of the coastal frontage of England and Wales. Public access to much of this land is restricted. The commission suggests that there should be a thorough review of the question of defence land holdings, and proposes the setting up of a committee to investigate the case for releasing from defence use a number of specific coastal sites of particularly high amenity or recreational value and to assess the continuing need for military training grounds and relate this to the many other growing needs for space.[1]

Heritage Coasts

To ensure the protection and positive management of coasts of outstanding scenic beauty, the commission proposes special measures to conserve 34 undeveloped areas covering 730 miles — some 27 per cent of the coastal frontage. These areas, it notes, contain the finest coastal scenery in England and Wales and display examples of most types of coastal environment. The designation would serve both as a legislative framework for the special measures needed to conserve the coasts and also as a means of recognising their contribution to the national heritage. A separate report, *The Coastal Heritage* (HMSO, 80s.), published recently by the Countryside Commission, gives in greater detail the background to the selection of the 'heritage coasts' and the principles of planning and management proposed for them.

Like national parks and areas of outstanding natural beauty, the 34 areas are selected for the quality of their scenery but the commission expects that public demands — mainly for outdoor recreation — would be more intense than in the inland areas. Heritage coasts would be the focus of recreational activity which in the designated areas inland is dispersed over extensive tracts of countryside. As a result the coasts would require planning and management policies which would be neither feasible nor appropriate in the inland countryside areas. The main purpose of the special policies advocated by the commission is to secure for all time the conservation of the coasts by ensuring that each area is wisely used so that full benefit can be obtained from its natural qualities both now and in the future. The proposed management principles include: relating the scale of activities to an optimum level of use, dividing the coast into zones accordingly, regulating access to avoid concentrations of people and vehicles at points liable to damage, emphasising the opportunities for different forms of recreation; restricting development more severely than elsewhere on the coast; and introducing new information services to explain features of the surrounding coast to people and to encourage greater concern for its conservation.

General Planning Policies

Reviewing the pattern of holidaymaking in Britain generally and the characteristics of coastal holidays, the commission expects increased pressures on the coastline for holiday and recreational facilities, and recommends the

[1] Since the publication of the report, the Prime Minister has announced that the Government is to examine ways of reducing the armed services' demands on land, particularly in such places as the national parks and coastal districts [see 20.11 70 p. 1032].

setting up of a committee to report on the statistical needs for the planning of such facilities.

In order to ensure protection for undeveloped coastal areas, the commission believes that, as the new planning procedures of the Town and Country Planning Act 1968 [see 16.2.68 pp. 181-3] are adopted, structure plans should provide fully for future coastal development, and the formulation of local plans should involve the principal land-owning bodies, including farming interests. In preparing national highway proposals, highway authorities should give full consideration to the possibly damaging effects of improved access to coasts which previously have been protected by their remoteness from large-scale development pressures.

Policies for the protection of much of the undeveloped coastline have often been too vague, the commission concludes, largely because of the attempt of local planning authorities to confer uniform protection over wide expanses of the coastal belt. This approach should be replaced by one which divides the coast into zones, each with its own policies giving positive guidance on the matters relating to the future use of the land. To ensure adequate supervision of many of the new impacts on the coast, particularly some kinds of recreation, local planning authorities should negotiate 'management agreements' with owners of coastal land over the way the land would be used, with financial compensation facilities available for any losses entailed by the agreements.

Educational Aid to Developing Countries

A review of all aspects of British aid to education in developing countries together with a systematic analysis of the educational situation in these countries is contained in *Education in Developing Countries* (HMSO, 3s 6d), a paper published for the Ministry of Overseas Development[1] on 28th September. The purpose of the paper is to provide guidelines for future policy so that Britain's resources, in association with those of other donors and of the developing countries themselves, may be used to the best effect.

In a foreword to the paper Mr Richard Wood, the Minister for Overseas Development, explained that 'the responsibility of countries which provide aid is to try to understand the problems and to agree with individual developing countries what help they can best give'. The review, he said, was in no sense a statement of a particular policy or programme but a contribution to the process of discussion and co-operation, showing what Britain had done in the past and discussing how its assistance might change and develop in [illegible].

The Present Aid Pattern

Assistance for the development of education forms a substantial part of Britain's official aid programme. In 1968, the review recorded, the total expenditure on aid to education programmes amounted to some £27 million, not counting that part of Britain's contribution to international institutions which was used for educational development. Of this total, rather more than £7 million was provided as technical assistance in the form of supplementation of salaries and allowances of teachers and other educationalists from Britain serving abroad; about £6·5 million for the provision of training in Britain for students and trainees from developing countries; and £8·5 million for capital

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[1] Since the publication of the paper the Ministry of Overseas Development has become the Overseas Development Administration of the Foreign and Commonwealth Office [see 6.11.70 p. 958].

aid of various kinds, including books and equipment. Another £2 5 million represented contributions to the British Council (which supplements development activities in most forms of educational aid, including the provision of training in Britain and English language teaching overseas)

Approximately a third of the identifiable capital aid went to universities, mainly in Commonwealth Africa, and about 40 per cent was spent on school-building. Nearly all the aid in teacher supply went to Africa, predominantly to East and Central Africa. The training funds were distributed more evenly, Africa and Asia both receiving substantial shares. The same was true of the funds devoted to books and equipment and of the contribution to the British Council's budget

For historical reasons, the review explained, British educational assistance is largely concentrated within the Commonwealth It is also concentrated on those countries with the least developed educational systems- in order both to sustain the expansion of their secondary school systems and to help them create or consolidate their institutions of higher education. Africa, therefore, receives the major share, particularly with respect to the supply of teachers, while the Asian countries receive a smaller share which is concentrated on the kinds of help more suited to their more highly developed systems. Aid to non-Commonwealth countries tends to be concentrated on special subjects such as English language teaching and technical education, with some help in staff and equipment for universities in subjects relevant to development

The Changing Situation

The continued efficacy of British educational assistance is dependent, upon British policy taking account of any developments likely to affect the aid-giving process. In this context, the review paid considerable attention to the changed educational situation within the developing countries.

Since independence the educational service of most developing countries had expanded greatly However, this initial phase of expansion at all costs was perhaps now giving way to one in which more regard would be paid to the need to develop a system of education best suited to the economy, the culture and therefore the society in question. The lessons emerging from the experience of expansion indicated that the problem that these countries now faced was to relate the expanded demand for education to their needs and possibilities which were coming to be more clearly understood

In particular, the review continued, it had been increasingly realised that there would not be jobs for very many people in the wage-earning economy of these countries for some time to come, that agriculture would remain the staple activity in most of them and that there would be a need to create a much more efficient agricultural labour force which could obtain the kind of education it needed as and when it needed it. It had become recognised, therefore, that, in the foreseeable future, the education of the majority of the people should be devoted to enabling them to live better and more prosperous lives in agriculture

In addition to emphasising the need for future British policy to adapt to other changes of this nature in countries with which Britain had an aid relationship, the review called attention to two other new factors of which British policy should take account The first was the increased use being made of systematic manpower and educational planning. It recognised that a precondition of progress must be the development of more systematic planning of educational aid in relation to the needs of the economy. The second factor was the increase in the number of sources of aid. In future, the review suggested, British assistance should be given increasingly in closer co-operation with other donors, both national and international, in order to avoid any duplication in the aid effort.

Future Policy

In view of these considerations, the review considers that the main lines of British policy should be generally determined through a process of frank discussion with the developing countries, to ascertain the kinds of aid they most needed and to select the areas of development in which the kinds of aid Britain was best qualified to provide could be most usefully employed The conclusions thus arrived at should determine growing points for British policy in contrast to those activities carried on from earlier times but no longer so relevant to contemporary needs.

This ' doctrine of concentration on strategic points and particular projects meant that requests for aid from individual countries should not be met uncritically but that Britain should develop more initiative in deciding what aid to offer. It was an approach which required sympathetic understanding in adapting what could be provided to the particular situation, readiness to enter into a dialogue with the recipient governments in order to arrive at agreed solutions and, once decisions were taken, energy and perseverence in their implementation. There was also a need to maintain the greatest sensitivity in discerning changes in the situation in individual developing countries and the greatest flexibility in adapting British aid to these changes

Future Assistance

In making suggestions as to the form that Britain's educational assistance should take in the future, the review drew attention to the social context in which that assistance would operate Rural development, it pointed out, was of the first importance in view of the predominance of agriculture in nearly all developing countries In this context British policy should stress the importance of patterns of education and training which would foster rural development and seek ways of combining aid to social development, including education with other forms of assistance In particular assistance should be offered to projects for adult education which developing countries were prepared to undertake within the framework of rural development To facilitate this a cadre of people able to help in this kind of work should be built up, the training programme to meet the needs of this developing activity should be reviewed and British expertise in the use of media for education should be applied to such projects.

The review also made reference to the part education could play in alleviating the problems associated with urban growth in developing countries and suggested that Britain, in collaboration with these countries, should study these problems to ascertain what help it could provide

With regard to future British assistance to particular sectors of education a number of changes and variations in policy were recommended These included a gradual change in emphasis from the supply to the training of teachers, with the supply itself being increasingly concentrated on teachers with specialist skills such as teacher trainers and teachers skilled in techniques of educational modernisation; the allocation of higher priority to aid for technical and vocational training, to help developing countries to overcome their shortage of the intermediate manpower so necessary to industrial development; and closer collaboration with other English-speaking donors to meet the increased demand for English language teaching. It was also recommended that the provision of books and periodicals should become one of the growth points of British educational aid in view of the important part they played in educational development. In addition, it was suggested that the training programme should be improved so as to make more effective use of the resources available for the training of manpower in education and other fields: this would be facilitated by a closer examination of the needs of individual countries,

the improvement of arrangements for selecting candidates and a constant review of the pattern of courses.

The review stressed the importance attached by Britain to the role of universities in developing countries as agents for development and change, and also to the modernisation of educational methods. It was in this latter connection that the Centre for Educational Development Overseas [see 24.4.70 p. 435-6] had been established to co-ordinate and develop the provision of aid in educational innovation and media.

Government and Administration

Fire Precautions Bill. Second reading of a Bill to substitute a single, comprehensive system of fire prevention control for existing miscellaneous provisions, in respect of places of entertainment, residential establishments, educational establishments and certain private dwellings (for instance, high blocks of flats) where people may be specially at risk

Hansard 20 1 cols. 1589-16

Local Government Finance (E & W) The Rate Support Grant Order 1970. Report by the Secretary of State for the Environment under Section 2(2) of the Local Government Act 1966. The report gives the level of aggregate Exchequer grant which local authorities in England and Wales can expect to receive during the financial years 1971-72 and 1972-73, and indicates areas where the Government considers increases in local government spending above the 4·2 per cent annual growth-rate envisaged for their total spending will be justified. These priority areas include the police service, the fire service, sewerage, housing improvements, and services for the mentally ill and the elderly In 1971-72 the aggregate Exchequer grant to local authorities (which excludes housing subsidies) will be £2,182 million and in 1972-73 £2,303 million. These figures represent 57·5 per cent and 58 per cent respectively of the estimated relevant local government expenditure in those years

HC 172 HMSO, 2s 6

External Affairs and Defence

Young Servicemen. Report of the Committee on Boy Entrants and Young Servicemen (the Donaldson Committee). Statements by Lord Carrington, Secretary of State for Defence (*Hansard* [HL], 25.11.70, cols. 122-30), and Lord Balniel, Minister of State for Defence (*Hansard*, 25.11.70, cols. 442-9) indicated that the Government has accepted, with minor modifications, the report's main recommendations—for a change in the recruitment of boys under the age of 18 giving them, at the age of 18, the option of confirming their original engagement or converting it to one of three years.

Cmnd 4509 HMSO, 9s

Finland. A memorandum of understanding was signed between Britain and Finland on 8th December, covering the development of co-operation in industry, technology and applied science.

Press release Department o Trade and Industry 8.12.

Council of Europe. An illustrated booklet describing the structure and development of the council and its activities over the last 20 years. Available in English, French, German and Italian. — Directorate of Press and Information, Council of Europe, Strasbourg, free

Stockholm International Peace Research Institute. Yearbook of world armaments and disarmament 1969–70. An examination of world armaments and military expenditure, and of progress in the year's arms control and disarmament negotiations. — SIPRI Stockholm, 63s.

Vietnam. Background to an International Problem. — COI, R.5193/70

Economic and Scientific Affairs

Developing Countries' Preferences Mr. Noble, Minister for Trade, stated that ' the Trade and Development Board of the United Nations Conference on Trade and Development approved last month the preferential arrangements worked out by the developed countries in accordance with the recommendation of the second conference in 1968. We propose to grant duty-free entry to most industrial goods from developing countries I hope to introduce the necessary legislation next year.' — *Hansard*, 30.11.70 written answers, cols. 264–5

Nigeria. British Aid. In the current financial year disbursements to Nigeria are likely to be £7 million. In addition, about £1·5 million will be spent on technical assistance and some £400,000 from a loan for reconstruction. The Government aims also to commit the balance of the £3·3 million remaining from the £5 million for relief and rehabilitation announced in January 1970 [see 27.2.70 p. 198]. — *Hansard* [HL], 30.11.70, cols. 322–3

International Development Association: Replenishment of Resources. Report of the executive directors to the board of governors, dated 21st July 1970. — Cmnd. 4545 HMSO, 4s.

Standing Reference on the Pay of the Armed Forces. Fourth report: The Pay of Senior Officers. Report No. 157 of the National Board for Prices and Incomes. — Cmnd. 4513 HMSO, 2s. 6d.

Costs, Prices and Profitability in the Ice-cream Manufacturing Industry. Report No. 160 of the National Board for Prices and Incomes. — Cmnd. 4548 HMSO, 3s.

Digest of Energy Statistics 1970. Ministry of Technology (now Department of Trade and Industry). — HMSO, 55s.

Employment of School Children. The Government has begun a review of the law concerning the part-time employment of school children out of school hours. When the school-leaving age is raised from 15 to 16 in 1972–73 the minimum age for employment will go up from 13 to 14 unless the law is changed. — Press release, Home Office, 30.11.70

World Bank Atlas 1970. Tables and charts showing trends in developing countries on population, economic growth, international capital flow and development assistance and international trade. — Services de l'Information de la Banque Mondiale, 66 avenue d'Iéna, 75 - Paris 16e

Railways. Fact Sheet on Britain. — COI, FSB E/9

Social and Cultural Affairs

Social Work in Scotland in 1969. Report of the work of the local authority social work departments which, in November 1969, took over the functions which were previously the responsibility of the child care, welfare, mental health, probation and after-care services. — Cmnd. 4475 HMSO, 9s

Development Plans -A Manual on Form and Content. Ministry of Housing and Local Government (now Department of the Environment). — HMSO, 90s

The Coastal Heritage (see pp. 1025) Countryside Commission. — HMSO, 80s

The Planning of the Coastline (see pp 1022-6) Countryside Commission. — HMSO, 17s 6d

British Broadcasting Corporation Annual report and accounts 1969–70. — Cmnd 4520 HMSO, 33s

Condition of London's Housing -A Survey, and *Characteristics of London's Households*. Research Reports Nos. 4 and 5 of the Greater London Council, Department of Planning and Transportation Intelligence Units — GLC, County Hall, London SE1, 27s 6d each

Facts Paper on the United Kingdom 1970 71 An account, with statistics, of immigration control in Britain Institute of Race Relations. — IRR, 36 Jermyn Street, London SW1, 6s

Commonwealth Immigration The Economic Effects Summary of *The Economic Impact of Commonwealth Immigration*, by K. Jones and A. D. Smith (Cambridge University Press for National Institute of Economic and Social Research, 1970, 35s.) — Runnymede Trust, 2 Arundel Street, London WC2, 5s

The Government's Social Policy. — COI, Factel No. 613

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The following abbreviations indicate material produced by COI Reference Division:

CFS	Fact Sheet on the Commonwealth	*NST*	Notes on Science and Techno[logy]
P	Factel	*R*	Reference P[amphlet]
FS	Fact Sheet on Britain	*RFP*	Reference Pam[phlet]
FSBI	Fact Sheet on British Industry	*SN*	Short [Note]

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DFS	Fact Sheet on the Dependencies	*NST*	Notes on Science and Technolo[illegible]
F	Factel	*R*	Reference Pa[illegible]
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FSBI	Fact Sheet on British Industry	*SN*	Short N[illegible]

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